



CSR and Reputation Division

Stakeholder Engagement and Reputation Unit

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# **2022 Iberdrola internal communication tools on Stakeholder engagement: Intranet and Stakeholder Trend Newsletter**

# Internal Communication on Stakeholder Engagement

## Microsite on Stakeholders in the Intranet



IBERDROLA GROUP

TOOLS AND PRACTICAL INFORMATION

PERSONAL AREA

NEWS

What are you looking for?



Home Iberdrola Group > About us > A Global Energy Leader

Create Shortcut



### WE ARE THE UTILITY OF THE FUTURE

Iberdrola is now a global energy leader, the number one producer of wind power, and one of the world's biggest electricity utilities in terms of market capitalisation.



### PURPOSE AND VALUES

Our purpose is to continue building together each day a healthier, more accessible energy model, based on electricity.



### BEHAVIOURAL MODEL

It provides a common framework, a roadmap, on the expected behaviors for how we interact with others and accomplish not only our daily activities but the strategic goals of the Group.



### STAKEHOLDERS

Society demands greater and greater transparency, and more open and participatory companies. All this means that our relations with our Stakeholders have become a priority for Iberdrola.



### REGULATORY POSITIONING

Iberdrola firmly believes that the transition to a carbon-neutral economy by 2050 is possible and makes economic sense. The decarbonisation of the economy is a tremendous opportunity to create wealth, generate employment and improve air quality.



### LEADERS IN ESG

We integrate environmental, social and governance (ESG) factors for socially responsible management. These pillars have been part of our strategy for two decades and consolidate our position as a leader in ESG.



### COMMITTED TO THE SDGs

Iberdrola Group has incorporated the Sustainable Development Goals approved by the UN in September 2015 into its business strategy and corporate governance system.



# Internal Communication on Stakeholder Engagement

## Microsite on Stakeholders in the Intranet

### STAKEHOLDERS

“For it is mutual trust, even more than mutual interest that holds human associations together”

- H. L. Mencken (1860-1956), American writer -



In search of a greater participation and involvement of the stakeholders, responding to their expectations and legitimate interests and generating confidence. Contributing to our long-term sustainability and reputation.

We live in the era of connectivity, commitment, alliances, diversity... Society demands greater and greater transparency, and more open and participatory companies. All this means that our relations with our Stakeholders have become a priority for Iberdrola.

### YOUR WORK

“The most basic of all human needs is the need to understand and be understood. The best way to understand people is to listen to them”

- Ralph G. Nichols (1910-2006), American academic -

#### Your work and Stakeholders

Your work is essential to allowing Iberdrola to fulfil its commitments to its Stakeholders.

In addition to the [general principles \[PDF\]](#) that we must always keep in mind when interacting with our stakeholders, here are **10 tips** that are essential in your daily work with them:

- 1 Know in detail what stakeholders you engage with
- 2 Check that the communication channels available to them are working properly
- 3 Listen to them about the issues that concern them
- 4 Analyse the risks and opportunities of these issues
- 5 Provide specific responses to the issues that most interest and concern them
- 6 Give them clear and simple explanations of why we do things the way we do
- 7 Ask whether they approve of our decisions and how we can improve
- 8 Fulfil your commitments and collaborate with them whenever possible
- 9 In short, take them into consideration whenever making decisions that affect them
- 10 And always keep your stakeholders' best interests in mind and think about what they might need

### BEST PRACTICES

**NEW**

“In seeking the good of our fellow man, we find our own”

- Plato (427-347 BC), Greek philosopher -

Share best practices on how you interact with your Stakeholders

At Iberdrola, we like to **do things well**, and - why not say it - **to be the first** to do them. This is why we strive to ensure our relations with our Stakeholders smooth and positive for both parties.

Here are some **examples of Best practices** that our colleagues have carried out this year marked by the COVID-19 health crisis.

#### Best practices by country

**Spain:** Through the website 'City awards for the cleaner' Iberdrola has been contributing to promoting cleaner action by the citizens connected to the environment, in order to achieve neutrality by 2050. It consists of an online platform and community, through which tips are offered to measure the carbon footprint, actions for greater sustainability are disseminated, the actions of those who participate are highlighted, and a campaign effort is provided to reward climate action at communities.

**United Kingdom:** In the context of the pandemic restrictions, Iberdrola has provided residents with information on how to reduce energy consumption in different renewable energy to an online format. Thus, public events are held online, virtual observation is provided on the website, and community members can send their questions about the projects through the same website.

**United States:** IBERDROLA's internal involvement with stakeholders in the Iberdrola Energy project, which consists of the construction of a 650 MW renewable windfarm project, has to promote renewable energies in the State of New York, Iberdrola is using social media to promote the project, as well as organizing knowledge discussions with all stakeholders: shareholders, unions, labour and environmental organisations and environmental organisations.

**Brazil:** Iberdrola's support for the fight against deforestation through the 'No Deforestation, No Peat, No Palm Oil' initiative, through various actions carried out jointly with the State Government agency. The aim is to prevent fires in sugar cane plantations and to lower deforestation and destruction rates and their consequent impact on the environment and local communities. In this way, Iberdrola and its environmental stakeholders and suppliers produce educational material on all types of risks, codes and safety and inspections and acts to planar areas and other critical leaders to identify dangerous situations.

**Mexico:** Iberdrola Mexico is committed to local suppliers by providing them to supply the use within the Iberdrola Mexico Company structure, and to supporting and promoting them through the project. The aim is to support the viability of SMEs, especially those related to business ethics, quality of life at the company, links with the community, and care and preservation of the environment.

# Internal Communication on Stakeholder Engagement

## Stakeholder Trend Newsletter

Periodicity: monthly

Recipients: All people involved on stakeholder engagement

Objective: Get to know the main trends regarding stakeholder expectations

N. 15 | DECEMBER 2022



ESG Division

Stakeholders, Human Rights and Reputation Unit

### Stakeholder Trends

NEWSLETTER

#### 1. USA, the most attractive country in renewable energy

China, Germany, United Kingdom and France complete the top five

IREA has published a new edition of the **Renewable Energy Country Attractiveness Index (RECAI)**, which ranks the world's top 20 markets in this technology and ranked **USA** remains first in 2022 followed by China, Germany, UK and France, in terms of attractiveness of their renewable energy investment and deployment opportunities. Some evolution countries:

- Increase position:
  - Spain (from 14 to 8)
  - Germany (from 4 to 3)
  - Italy (from 15 to 12)
  - Czechia (from 21 to 14)
- Decrease position:
  - United Kingdom (from 10 to 4)
  - Brazil (from 13 to 14)
  - Mexico (22 to 23)
- Maintenance position:
  - Australia (3)
  - France (5)

The ranking also reflects global market trends: transition to renewable energy has become more urgent, as well as **accelerated in emerging and frontier markets**.

#### 4. 'Material Passports' for buildings, new initiative for a circular economy

For construction, responsible for nearly 40% of global CO2 emissions, it's a crucial step

A growing group of architects believe that humans aren't the only ones who need an ID: buildings need one, too. This concept is known as **material passports** and ensures when a building reaches the end of its lifespan, architects can refer to a **building ID** to understand the materials and components it's made of and reuse them instead of mining for new ones.

Though it still has nascent legs, the passport is applicable to anyone who makes physical objects, be it a supervisor or a client: every material is a resource, and that resource should be reused wherever possible.

Material passports are currently being explored in an exhibition on the circular economy in London, developed by the Royal Institute of British Architects. It explores various tools that architects can use to **reduce the embodied carbon footprint** of their buildings, including **demountable structures, adaptive reuse, and urban mining**.

For an industry like architecture and construction, which is responsible for nearly **40% of global CO2 emissions**, it's a crucial step in the right direction.

#### 2. Multistakeholder initiatives are vital for protecting biodiversity

There is a great opportunity for companies that want to lead on the nature agenda

GlobalWaters has developed the **Nature Agenda research program** to understand the attitudes and expectations of stakeholders around the world. Key findings:

1. **Collaborative, multistakeholder initiatives** are vital for protecting and restoring nature and biodiversity – companies have an opportunity to build cooperation into their nature strategies from the outset.
2. Progress on nature requires an **integrated approach** with both climate strategies and societal initiatives – people are open to nature-based solutions.
3. There is a need for **more inclusive** approaches to protecting nature, including working and partnering with **indigenous peoples and local communities (PLCs)**.
4. People **want help from business and governments** with doing more to protect nature and biodiversity. Business has a compelling opportunity to help people lead more nature-friendly lifestyles.
5. There is a growing expectation for companies to **embed nature into their business, financial, and policy decisions** – non-indeed to companies to governments, stakeholders will increasingly call on companies to do more to protect nature and biodiversity.

#### 3. 2023 ESG trends: climate change, new regulation and supply chain issues

Poor air quality and new ground rules for internet companies are also relevant

MSCI has published the **ESG and Climate Trends to Watch for 2023**. Main focus on **climate change** across a variety of angles: from carbon credit funds to insured emissions, and from scrutiny of net-zero targets to decarbonizing industrial real estate.

**Regulation** is now top of mind not just in the EU, but increasingly in the U.S. and Asia-Pacific markets. New requirements for financial institutions to conduct climate stress tests, to deforestation-free materials rules, to investors getting ahead of potentially mandatory requirements to report on the SDGs, a Principle-Advised Impact Indicators.

MSCI has their eyes on **supply chain issues**, including the prospects for lithium-ion commodities, tracking goods through blockchain technology, and the mixing of evades to renege the dynamics of controversial raw material sourcing.

And to round it off, there has got a host of **issues affecting everyday lives** in what seem to be increasingly difficult times: air pollution, net-zero, poor air quality, new ground rules for internet companies and more.

#### 6. SGD's urgent action: climate, hunger, poverty and inequalities

Lack of political will, main obstacle to achieve a just transition (equitably distributing the costs and benefits of climate action)

Over **200 experts** representing business, government, NGOs, service media, and academia across **41 countries** have participated in the **GlobalScope/Sustainability Institute by ERM survey**.

When considering the **urgency** of all 17 of the United Nations Sustainable Development Goals (SDGs), experts rate **Climate Action** as the most urgent goal, followed by **zero hunger**.

The top 10 most urgent SDGs and the percentage of experts total responses are:

1. Climate Action (50%)
2. Zero Hunger (34%)
3. No Poverty (27%)
4. Reduced Inequalities (23%)
5. Affordable and Clean Energy (20%)
6. Quality Education (19%)
7. Peace, Justice and Strong Institutions (18%)
8. Responsible Consumption and Production (18%)
9. Life Under Water (16%)
10. Clean Water and Sanitation (14%)

Experts consider that the **lack of political will** is the main obstacle to achieve a **just transition** (equitably distributing the costs and benefits of climate action).

### 1. Investors and human rights in 2023

Investors face significant reputational, litigation and financial risks. Project deals, just transition and community conflicts. The gap between expectations for investors is:

- Assess the **climate impact performance** on the energy transition through human rights
- Understand **human rights and environmental due diligence**
- Commit to **active ownership, just transition and engagement strategies processes**

### 2. Three ways to create

Deciding whether the company should take a **standards-based** approach that is important to key stakeholders is an expression of **values** or a reflection on behalf of employees or other stakeholders' **interests**.

- The **materiality and impact** on all stakeholders of the company's environmental, social and governance (ESG) operations, policies and programs.

### 3. Challenges in traceability of sustainable value chains

What are the right incentives to put in place for spurring ESG monitoring?



Experts of United Nations Economic Commission for Europe **UNICEE** have outlined an analysis regarding traceability of products along international value chains. The most important **challenges and recommendations** for policy makers are:

- Establishing **mandatory requirements on traceability**, with a minimum criteria and data set.
- Identifying and analyzing **international best practices** on traceability by and across sectors.
- Developing **common traceability standards** for the collection and exchange of information.
- Promoting research and development to harness the potential of **innovation**.
- Facilitating the adoption of **digital tools** and advanced technologies.
- Encouraging **strong partnerships** among organizations, including consumers and other stakeholders.

#### 4. Climate change is number one future risk around the world

Geopolitical risks rank second, overtaking cyber and pandemic

AXA, a global insurance company, has released the 10th edition of its **Global Risks Report**, a global survey of a panel of 4,500 risk experts from 33 countries and a representative sample of 20,000 people from 33 countries.

For the first time, **climate risk** tops the list of experts' concerns in all regions of the world and becomes the main concern of the general public in the United States.

**Geopolitical risks** come in second place. 93% of the experts surveyed expect geopolitical tensions to persist and spread throughout the world, as a limited number of **energy-related risks are now in fourth place**, up from 5th in the last year.

Economic risks are increasing and fueling social tensions. For the first time, experts rank **lower economic risks** within the **35 financial stability, macroeconomic deterioration and monetary and fiscal risks**. Inflation is becoming an important concern for both experts and the general public.

#### 5. Negative expectations in 2023 global economy

Headwinds to growth and even raising the prospect of social unrest

**World Economic Forum (WEF)** launches the **Global Economic Outlook Report**, a global survey about expectations on 2023 economic.

The main highlights are:

- There are **painful months ahead**: 73% of the chief economists think a recession is likely to happen.
- This recession will affect **labor market activity**: 43% of respondents expect weaker employment and employment growth in Europe.
- About half globally, 52% of the chief economists expect **real wages will decline in 2023**.
- Almost eight out of ten respondents said **rising costs will hurt civil unrest** in low-income economies.

#### 6. Next COP27: focus on nature, food, water, industry decarbonization, climate adaptation...

Goals as mitigation, adaptation, finance and collaboration will define the summit

COP27 will be held in the Egyptian city of Sharm El-Sheikh on 6-18 November, and the Egyptian President has **declared Sharm El-Sheikh**.

Key messages:

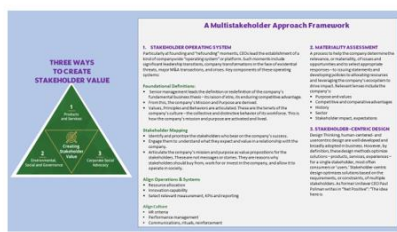
- **Mitigation**: "Go bold and rapid" and "reduce emissions to limit global warming to 1.5°C."
- **Adaptation**: "Towards enhancing climate resilience and avoiding the worst-case scenario, with communities."
- **Water**: "Focus on climate, water, and food security." "Invest in water, including the delivery of the promised \$20 billion per year to assist the world's poor."
- **Collaboration**: "Inclusive and active participation from all stakeholders."

According to an article published by the **World Economic Forum**, there are five areas to watch at **COP27**:

- **Nature**: "Deforestation, ecosystems, land, sea, and greenhouse gas emissions reductions."
- **Food**: "How to make the policies required to meet but growing food demand in a climate-resilient way."
- **Water**: "Focus on climate, water, and food security." "Invest in water, including the delivery of the promised \$20 billion per year to assist the world's poor."
- **Industry decarbonization**: "Clean methods and technologies."
- **Climate adaptation**: "Climate and a broad focus on climate resilience and adaptation solutions."

### Infographic of the month

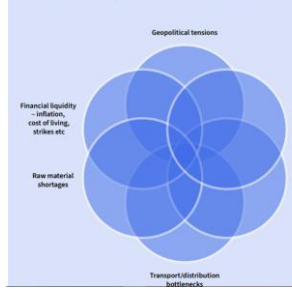
Source: Arthur W. Page Society



### Infographic of the month

Risk in focus 2023 report

Source: European Confederation of Institutes of Internal Auditing (ECIA)



# Internal Communication on Stakeholder Engagement

## Articles on Stakeholders in the Intranet

English Spanish Portuguese

IBERDROLA NEWS

Industry News Diversity and Inclusion Business Social Commitment Finance Countries Press Releases

**Neoenergia doubles its fleet of electric vehicles in one year**

BUSINESS BRAZIL SUSTAINABLE MOBILITY

Neoenergia has doubled its fleet of electric vehicles in one year: in just 12 months it has gone from 48 to 95 cars, an increase of 98 %...

**Iberdrola Australia signs agreements with three leading Australian universities to collaborate in the development of sustainable energy**

SOCIAL COMMITMENT AUSTRALIA

**Iberdrola installs first offshore wind turbine at Saint-Brieuc project**

BUSINESS FRANCE OFFSHORE WIND

The installation of the first of 62 wind turbines equipping the Saint-Brieuc...

**Further news**

FEATURES

**Stakeholders at the core of organisations**

11/05/2023

**Local information**

- Iberdrola España
- Iberdrola México
- Neoenergía