

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Iberdrola is a world leader in clean energy, focused on promoting CO2 free installed capacity in our mix.

Nearly two decades ago, Iberdrola decided to strongly back clean energy. Since then, Iberdrola has invested tens of billions of euros in renewable energy – onshore and offshore wind energy, hydroelectric and solar power – as well as in the grids needed to integrate this renewable energy, and in storage. This pioneering commitment to clean energy has made the company one of the world leaders, with a renewable capacity of more than 38,000 MW, and the number one wind power producer in the world.

Iberdrola is well-positioned to become a benchmark as regards the contribution of the electricity subsector towards attaining a scenario that is compatible with the 1.5°C target, as a result of the characteristics of its energy mix, its investment profile and the commitments that it has already undertaken.

- Iberdrola's emissions per kWh in Europe were already 68% lower than the average of the European electricity sector in 2020; *Source: European carbon factor Benchmarking of CO2 emissions by Europe's largest electricity utilities (December 2021, PwC)* .

- Iberdrola is the world leader in renewable energies, smart grids and electric vehicle development and is ranked at the top of the main sustainability indices.

- Iberdrola Group publicly announced its target for 2030: Iberdrola, including its sub holding groups in Scotland, USA, Brazil, and Mexico, commits to reduce absolute Scope 1, 2 and 3 GHG emissions 43% by 2030 from a 2017 base-year which has been validated by Science Based Targets initiative (SBTi). The Iberdrola Group, commits to be net before 2050.

Iberdrola operates in more than 40 countries and has over 34 million customers. At Iberdrola, we have spent more than 150 years moving forward in a single direction. We have created an industrial growth project sustainable in the long term, by focusing on the core business, on stable activities and growth through a balanced business portfolio, on leadership in wind power, on operating efficiency and on financial soundness, becoming a number one worldwide energy group.

In preparing the consolidated Financial Statements for financial year 2021, the directors have taken into account the IBERDROLA Group's commitments regarding the strategic plan presented to the markets in 2020 and the current Climate Action Policy, which provides the framework of the IBERDROLA Group's strategy and business model and is fully aligned with the Paris Agreement and the 2030 Agenda in the fight against climate change.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

- Brazil
- Mexico
- Spain
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

- Electricity generation
- Transmission
- Distribution

Other divisions

- Gas storage, transmission and distribution
- Smart grids / demand response

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	ES0144580Y14

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>The primary purpose of Iberdrola's Board of Directors is to establish, supervise and implement the strategy of the Company and its Group. In addition, it defines its management guidelines, and formulates and continuously updates the Governance and Sustainability System.</p> <p>Since 2021 it has approved to include within its powers, to: "Approve and regularly update a climate action plan to achieve neutrality in the emission of greenhouse gases by 2050, following a report from the Sustainable Development Committee. This plan shall set out the intermediate objectives, the strategy and the investment plan designed to meet these objectives and shall define the methodologies used to assess the implementation thereof".</p> <p>Besides that, during 2021 activities key issues for the Board included, among others:</p> <ul style="list-style-type: none"> ● Risks and opportunities arising from climate change. ● Monitoring of greenhouse gas emission reduction targets. ● Monitoring of activities with a strategic impact related to climate change and economic recovery. ● Analysis of the level of implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). <p>During financial year 2021, the following heads/executives of the following areas have appeared in the Committee: Corporate Social Responsibility and Reputation & Innovation, Sustainability and Quality, among others.</p> <p>Priorities for 2022 includes the monitoring of the Climate Action Plan</p>
Board-level committee	<p>Climate change's concern is present throughout the Company and the highest responsibility resides in the Board of Directors. According to its by-laws, they work through a committee structure representing the whole Board.</p> <p>The Sustainable Development Committee is an internal organ of the Board of Directors, which was created for informational and consulting purposes and which has powers to inform, advise, and propose in the areas of Sustainable Development, ESG Requirements and Corporate Social Responsibility.</p> <p>The Sustainable Development Committee current powers includes, among others, the following new duties since 2021 financial year, in connection with the Climate Action Plan:</p> <ol style="list-style-type: none"> i) report to the Board of Directors, prior to approval thereof, on the Climate Action Plan to achieve greenhouse gas emission neutrality, as well as monitor and review the level of progress and subsequent updates thereof; and ii) include mention thereof in the Statement of Non-Financial Information. Sustainability Report regarding the level of implementation of the Climate Action Plan and of any updates thereof after a report from the Committee. <p>During 2021 the Committee supervised the development of the new Climate Action Plan as a new area within its purview.</p> <p>During financial year 2021, the Director of Corporate Social Responsibility and Reputation and the Director of Compliance have regularly appeared before the Committee. Also the Director of Innovation, Sustainability and Quality and the Director of Climate Change and Alliances have appeared, among other heads/executives.</p> <p>Priorities for 2022 includes the analysis of the latest ESG trends, especially in connection with the financial impact of climate change on the Iberdrola group.</p>
Board-level committee	<p>Management of the Company is vested in a Board of Directors, its chairman, an executive committee called the Executive Committee (Comisión Ejecutiva Delegada).</p> <p>The Executive Committee assist the Board of Directors in the ongoing supervision of the implementation of the strategy, compliance with objectives and the governance model, and submitting proposals to the Board of Directors or making decisions in urgent cases regarding all strategic issues. In particular, this includes investments and divestitures that are significant for the company or its group, assessing whether they are in line with the company's budget and strategy, and analysing and monitoring risks of the Business, taking into consideration any environmental and social aspects.</p> <p>As stated in the "Activities Report of the Board of Directors and of the Committees thereof – 2021" key topics included in its activities were, among others:-</p> <ul style="list-style-type: none"> ● Analysis of current issues in the energy sector in Spain, including decarbonisation and the modification of the tariff system. ● Outlook 2020-2025 and vision to 2030 ● Monitoring of Iberdrola's participation in the World Economic Forum in Davos. ● Monitoring of the participation in the UN Climate Change Conference (COP26). ● Iberdrola's presence on sustainability indices ● Monitoring of changes in climate-related regulations at both the domestic and the international level. <p>2021 priorities for this committee includes among others the review of the economic and financial environment and of its impact on the Group and analysis of opportunities for medium- and long-term growth.</p> <p>During financial year 2021, The Business CEO has regularly participated in this Committee. In addition, the Directors of Administration and Control, of Legal Affairs, of the Liberalised Business, of the Networks Business and of the Renewables Business, as well as the Director of Innovation, Sustainability and Quality have been invited on particular occasions.</p>
Board-level committee	<p>The Audit and Risk Supervision Committee is an internal organ of the Board of Directors, with no executive powers, which was created for informational and consulting purposes and which has duties to inform, advise, and propose within its sphere of activities.</p> <p>Within its powers it is included to ensure that the Group's internal control and risk management system identifies at least:</p> <ol style="list-style-type: none"> i. The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, or risks relating to corruption) facing the Company and the Group, including, among financial risks, contingent liabilities and other off-balance sheet risks. ii. The establishment and review of the risk map and levels that the Company deems acceptable. iii. The measures planned in order to mitigate the impact of identified risks in the event that they materialise. iv. The information and internal control systems that will be used to monitor and manage the aforementioned risks, including contingent liabilities and other off-balance sheet risks. <p>During financial year 2021 the Audit and Risk Supervision Committee paid special attention to the following issues, among others:</p> <ul style="list-style-type: none"> ● Report to the Board of Directors on the risk control and management systems. ● Analysis of the quarterly and half-yearly risk information for financial year 2021. ● Monitoring of the risks of the Group's Businesses, those arising from climate change, technological, environmental, social, regulatory, reputational and cybersecurity risks, as well as those associated with the activities of the Finance, Control and Resources Division. <p>During 2021, the following members of the management team of the company has appeared in the Committee as: the Director of the Internal Audit Area, the Director of Risks and Internal Assurance, the Director of Administration and Control, Director of Climate Change and Alliances, among others.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<Not Applicable>	<p>The Board of Directors, the Sustainable Development Committee, the Executive Committee and the Audit and Risk Supervision Committee are high-level committees of Iberdrola’s Governance and Sustainability System in charge of the oversight of climate-related issues, from including in strategies and business development, always attending related risks and opportunities to assess and monitoring global performance, and take all into account in reviewing strategies and action plans.</p> <p>As stated in the “Activities Report of the Board of Directors and of the Committees thereof – 2021” key topics for last year included, among other: Board of Directors:</p> <ul style="list-style-type: none"> ● Risks and opportunities arising from climate change. ● Monitoring of greenhouse gas emission reduction targets. ● Monitoring of activities with a strategic impact related to climate change and economic recovery. ● Analysis of the level of implementation of the recommendations of the TCFD. <p>Sustainable Development Committee:</p> <ul style="list-style-type: none"> ● Monitoring of the preparation of the Climate Action Plan and of climate governance instruments, including supervision of the Group’s GHG emission reduction targets and its leading position in the industry ● Monitoring of the level of contribution of the Iberdrola group to the achievement of the SDGs and review of the level of implementation of the 2020-2022 Sustainable Development Plan. ● Monitoring of work on the circular economy and climate governance. ● Monitoring of the main regulatory developments in the EU in connection with the Sustainable Financing Plan and the European Taxonomy of sustainable activities. <p>Executive Committee:</p> <ul style="list-style-type: none"> ● Analysis of current issues in the energy sector in Spain, including decarbonisation and the modification of the tariff system. ● Outlook 2020-2025 and vision to 2030. ● Monitoring of Iberdrola’s participation in the World Economic Forum in Davos. ● Monitoring of the participation in the UN Climate Change Conference (COP26). ● Iberdrola’s presence on sustainability indexes. ● Monitoring of changes in climate-related regulations at both the domestic and the international level. <p>Audit and Risk Supervision Committee:</p> <ul style="list-style-type: none"> ● Report to the Board of Directors on the risk control and management systems. ● Analysis of the quarterly and half-yearly risk information for financial year 2021. ● Monitoring of the risks of the Group’s Businesses, including those arising from climate change. <p>Climate related topics are scheduled in all meetings as it is the key driver for Iberdrola’s strategy to take advantages from all the related opportunities, while attending potential risks.</p> <p>During financial year 2021 the following meetings were held:</p> <ul style="list-style-type: none"> -The Board of Directors held a total of 8 meetings in 2021 -The Sustainable Development Committee held 10 meetings - The Executive Committee held 15 meetings -The Audit and Risk Supervision Committee held 12 meetings <p>All these meetings were attended by all of their respective directors.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Key experience is taking into consideration when assessing competences of potential Directors of the Iberdrola Group, as the Company aspires to be the preferred global energy company, among other reasons, because of its respect for the environment, as highlighted and developed in the Group's environmental policies.</p> <p>The Group's devotion to leadership in the fight against climate change, in the development of clean energy (which contributes to the decarbonisation of the economy) and in respect for the environment are the pillars of its energy production model and the factor that distinguishes it in the energy industry as a world leader in this area. This takes form in the following basic principles of conduct: (...) d) integrate climate change into internal strategic planning and decision-making processes.</p> <p>Some key experience for grounding climate related and decarbonization global knowledge includes:</p> <ul style="list-style-type: none"> - Previous experience in public policies and regulations linked to climate change - Previous experience in environmental issues - Previous experience in electric sector in Iberdrola's core countries <p>For example: One of the independent Director of the Board, member of the Sustainable Development Committee, was Minister of Agriculture, Fisheries, Food and Environment of the Spanish Government between 2014 and 2018. She was responsible for the national climate change policy and for international negotiations in this field, including her participation in several United Nations Climate Summits, including the Paris Summit in December 2015.</p> <p>Moreover, a training and information programme is offered to Iberdrola's Directors, which dealt with different issues at different meetings of the governance bodies. Training key topics to build on climate related and decarbonization issues includes: environmental, climate related, risk management, European taxonomy, energy transition and circular economy.</p> <p>During financial year 2021 key related climate and decarbonization training sessions included:</p> <ul style="list-style-type: none"> - Environmental risks and alert mechanisms for these types of risks. - Non-financial information, taxonomy and metrics. - Reporting and ESG metrics - Climate Change Act and energy transition. - CSR and biodiversity - Responsible People Leadership - Status of the energy policy in the European Union. - Status of the electricity market in Spain. 	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Sustainability Officer (CSO)	<Not Applicable >	Managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Risks Officer (CRO)	<Not Applicable >	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Corporate Sustainability/CSR reporting line Director)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Director of Climate Change and Alliances)	<Not Applicable >	Other, please specify (Coordination of all climate action and lobbying initiatives, and alliances, in the UNFCCC process, Global Climate Agenda and the multilateral architecture; development of climate policy positions, campaigns, planning and assessments.)	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chairman & CEO (and the Board of Directors) has the power regarding approval of the strategic goals of the group and the definition of its organisational model, as well as supervision of compliance therewith and development thereof. The Chairman & CEO assumes the duty of organisation and strategic coordination within the group, with the technical support of the Operating Committee, by the Business CEO, with overall responsibility for all the businesses of the group, and by the rest of the management team.

The strategic pillars for the company, and for the Chairman & CEO are sustainable development, profitable growth, operational excellence, customer-focused operations, the optimisation of capital, and innovation, following the Iberdrola's Corporate Purpose "To continue building together each day a healthier, more accessible energy model, based on electricity". This Corporate Purpose is aligned with the social dividend strategy, the principles of Sustainable Development, Corporate Social Responsibility, and thus the 2030 Agenda - Sustainable Development Goals of the United Nations, specifically SDG 7 and 13 related to Climate Change.

He is the most senior individual with operational responsibility for the implementation of decisions taken at the board level. At management level there are three key areas reporting directly to the CEO & Chairman and to the Board of Directors in specific issues regarding climate change as emissions monitoring and reduction action plans, alignment with SDGs, risks and opportunities, policies or mitigation and adaptation actions. Those three areas support with their day-to-day work and appearance in previous Board Level Committees and CEO & Chairman direct contacts and monitoring reports, action plans, campaigns, working groups, etc. the management aspects related to climate change for the company.

Chief Sustainability Officer (CSO): Aspects relating to general sustainability development, sustainability management and environment issues are the responsibility of the Innovation, Sustainability and Quality Division. Within this organisation there is a specific Climate Change and Alliances Division, leading policies and alliances linked with climate change. This Division is in the Chairman's Area, and reports directly to the Chairman & CEO/ Board of directors, quarterly. They lead a specific Working group multidisciplinary gathers representatives from the main corporate and business areas to assess and coordinate bimestrial the state of the SDG action, including those regarding SDG 13 of Climate Change. Main climate change related activities imply: - The development and monitoring of the Climate Action Plan - The annual revision of the operational limits of the GHG emissions inventory - The revision of emission factors - the enactment of the environmental targets for the environmental management systems (ISO14001), - The execution of the methodology for calculating direct and indirect emissions of IBERDROLA's activities and the accomplishment of the inventory and the Carbon Footprint Report, -Climate lobbying activities and alliances, -Climate scenarios -Technology innovation .

Chief Risk Officer (CRO): in charge of adequately identify, measure, manage and control the significant risks to all the activities and businesses of the group. Risks derived from climate change are integrated in the risk management processes and included in the periodic reports to the Chairman&CEO / Board of directors, quarterly. Main climate change focus activities imply: - Identification, analysis and management of climate change related risks for the Group - Support corporation and business to integrate the climate change variable in internal decision-making processes - Periodically asses long term risks using scenarios, as climate change scenarios.

Corporate Environmental, Social and Governance (Beforehand known as *Corporate Social Responsibility and Reputation*) in charge of corporate non—financial reporting, coordinating TCFD working group with a multidepartmental scheme, and attending investors and indexes about ESG matters as SDGs. Also is the referent for stablishing and/or guiding coordinately ESG targets, specifically emission reduction targets (and so linked to the development and monitoring the Climate Action Plan), and monitoring GHG reductions, monitoring progress towards emission targets and monitoring the key performance indicators trends.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Board Chair	Monetary reward	Emissions reduction target	<p>During the Shareholders Meeting of 2020 (April 2020) it was approved this Strategic Bonus for the professionals of the Iberdrola group linked to the Company's performance during the 2020-2022 period, to be paid through the delivery of shares. It is publicly stated at the Proposed Resolutions 2020 Report (Item number sixteen on the Agenda) (available in our web page).</p> <p>The 2020-2022 Strategic Bonus is intended for the executive directors, officers and other professionals of the Company and its group who, due to their position or their responsibility, are deemed to decisively contribute to the creation of value and are included in the 2020-2022 Strategic Bonus.</p> <p>The 2020-2022 Strategic Bonus is configured as a long-term incentive tied to the Company's performance with respect to the Outlook 2018-2022 approved by the Board of Directors and any updates presented to investors (the "Outlook"). The Company's performance at 31 December 2022 will be evaluated based on financial, business and sustainable development parameters, which present a challenging scenario for a company that continues with its profitable growth, is financially sound and is committed to the Sustainable Development Goals:</p> <p>Specific parameters relating to the Sustainable Development Goals ("SDGs"): It is included, within other parameters here the following target regarding the Reduction intensity of the Iberdrola group's CO2 emissions: it will be deemed to have been met if a level of 105 gr CO2/kWh in average intensity of own emissions of CO2 during the 2020-2022 period is met, taking into account a normal rainfall period. It will be deemed that this goal is not met if the intensity is not reduced on such terms to below the average levels for the period 2017-2019.</p> <p>This objective is an enormous challenge, as Iberdrola's emissions volume in 2019 was already 66% below that of comparable European companies and 10% below that of what other companies in the industry have set as their objective for 2030.</p>
Executive officer	Monetary reward	Emissions reduction target	<p>During the Shareholders Meeting of 2020 (April 2020) it was approved this Strategic Bonus for the professionals of the Iberdrola group linked to the Company's performance during the 2020-2022 period, to be paid through the delivery of shares. It is publicly stated at the Proposed Resolutions 2020 Report (Item number sixteen on the Agenda) (available in our web page).</p> <p>The 2020-2022 Strategic Bonus is intended for the executive directors, officers and other professionals of the Company and its group who, due to their position or their responsibility, are deemed to decisively contribute to the creation of value and are included in the 2020-2022 Strategic Bonus.</p> <p>The 2020-2022 Strategic Bonus is configured as a long-term incentive tied to the Company's performance with respect to the Outlook 2018-2022 approved by the Board of Directors and any updates presented to investors (the "Outlook"). The Company's performance at 31 December 2022 will be evaluated based on financial, business and sustainable development parameters, which present a challenging scenario for a company that continues with its profitable growth, is financially sound and is committed to the Sustainable Development Goals:</p> <p>Specific parameters relating to the Sustainable Development Goals ("SDGs"): It is included, within other parameters here the following target regarding the Reduction intensity of the Iberdrola group's CO2 emissions: it will be deemed to have been met if a level of 105 gr CO2/kWh in average intensity of own emissions of CO2 during the 2020-2022 period is met, taking into account a normal rainfall period. It will be deemed that this goal is not met if the intensity is not reduced on such terms to below the average levels for the period 2017-2019.</p> <p>This objective is an enormous challenge, as Iberdrola's emissions volume in 2019 was already 66% below that of comparable European companies and 10% below that of what other companies in the industry have set as their objective for 2030.</p>
Management group	Monetary reward	Emissions reduction target	<p>During the Shareholders Meeting of 2020 (April 2020) it was approved this Strategic Bonus for the professionals of the Iberdrola group linked to the Company's performance during the 2020-2022 period, to be paid through the delivery of shares. It is publicly stated at the Proposed Resolutions 2020 Report (Item number sixteen on the Agenda) (available in our web page).</p> <p>The 2020-2022 Strategic Bonus is intended for the executive directors, officers and other professionals of the Company and its group who, due to their position or their responsibility, are deemed to decisively contribute to the creation of value and are included in the 2020-2022 Strategic Bonus.</p> <p>The 2020-2022 Strategic Bonus is configured as a long-term incentive tied to the Company's performance with respect to the Outlook 2018-2022 approved by the Board of Directors and any updates presented to investors (the "Outlook"). The Company's performance at 31 December 2022 will be evaluated based on financial, business and sustainable development parameters, which present a challenging scenario for a company that continues with its profitable growth, is financially sound and is committed to the Sustainable Development Goals:</p> <p>Specific parameters relating to the Sustainable Development Goals ("SDGs"): It is included, within other parameters here the following target regarding the Reduction intensity of the Iberdrola group's CO2 emissions: it will be deemed to have been met if a level of 105 gr CO2/kWh in average intensity of own emissions of CO2 during the 2020-2022 period is met, taking into account a normal rainfall period. It will be deemed that this goal is not met if the intensity is not reduced on such terms to below the average levels for the period 2017-2019.</p> <p>This objective is an enormous challenge, as Iberdrola's emissions volume in 2019 was already 66% below that of comparable European companies and 10% below that of what other companies in the industry have set as their objective for 2030.</p>
All employees	Monetary reward	Emissions reduction target	<p>The environmental objectives mentioned in the Strategic Bonus received by the Management group are in cascade and affect all employees from the top managers in different percentages depending on their responsibility. Every employee has a percentage of its variable fee directly linked to the performance of his/her boss, therefore the mentioned environmental objectives are for every employee.</p> <p>There are also campaigns among ALL employees related to the CO2 emissions produced on their commuting. Furthermore are given free grants to buy electric vehicle cars (4,700 €).</p>
All employees	Non-monetary reward	Other (please specify) (Climate change teachers at kids schools)	<p>Through the volunteer programs, employees are offered specific training to deliver climate change workshops at their kid's schools as per specific courses for children and young people, becoming knowledgeable themselves and raising awareness among young children.</p>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	<p>Due to the specific nature of the climate change risks, the time horizons included for the CDP are different to the normal ones for other risks. This horizon is consistent with:</p> <ul style="list-style-type: none"> • The timeframe of Iberdrola's public investment plan "Perspectives 2020-2025", which envisages 75 €bn of investments in the period. From this figure it is estimated that 68 €bn will be organic capex, mostly devoted to activities free of CO2 (91% of the total will be in Networks and Renewables). • The review of regulated tariffs in the different countries where the Group operates, usually every 3-5 years. This is especially important in the case of the Network business, which is expected to contribute 47% of EBITDA 2025. • The fact that some impacts of climate change (mainly related to extreme weather events) have already started to materialize and will become worse in the future, for example higher-than-historical storms, floods, etc.
Medium-term	3	10	<p>This timeframe is consistent with:</p> <ul style="list-style-type: none"> • The consideration in our "Perspectives 2020-2025" of projections of operating figures up to 2030 (which, put it simply, equals today + 10 years). • We have also committed to be, by 2030, a carbon-neutral company in Europe, where our emissions in 2020 were 64 g CO2/kWh, and are a tenth of the emissions released by our European and American competitors, and to reduce our global CO2 emissions to 50g/kWh. • Plans to continuously implement in the short - medium term improvements in risks assessments, weather forecasting capabilities, digitalization, resilience of assets, etc.
Long-term	10	30	<p>This horizon (2050) is consistent with:</p> <ul style="list-style-type: none"> • 2050 is a reference for the international community (ie: EU) to achieve concrete positive milestones to fight against climate change. • 2050 is also the date of other public commitment of Iberdrola: the Groups expects to become carbon neutral globally before that year. • 2050 is the maximum time horizon considered in section "Identification and evaluation of transition opportunities and risks" of Iberdrola's Sustainability Report 2021, which covers transition risks. <p>Time horizons for physical risk assessments are consistent with the expected useful life of new assets within the range (2022-2062) – up to 40 years, both for the structural components of onshore wind farms and transmission and distribution assets, considering longer time horizons for specific analysis.</p> <p>Moreover, the continuous monitoring of risks includes a review of state-of-the-art projections and their consideration in risks assessments and time horizons considered.</p>

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At corporate level, the executive reporting by the Risk Department to the Operating Committee and the Audit and Supervision Risk Committee of the Board of Directors of Iberdrola covers all relevant risks (including climate-related risks), which are selected on a quantitative and a qualitative basis, taking into consideration the operational, economic, strategic and reputational effects of the risks, in line with ERM best practices, as long as their estimated probabilities.

From a pure financial point of view, the integral risk control and management system of Iberdrola (through the internal standard "Preparation and reporting standard for key risks and risk Policies and limits of Iberdrola Group", dated May 29, 2020) considers a 4-level classification of economic impact (accumulation of the following three years) of the risks: Very High >100M€, High 50-100M€, Medium 10-50M€ and Low <10M€. The above referred standard states that "Risks will be quantified, by default, in terms of impact on EBITDA or EBIT, where appropriate. In the case of tax related risks, the impact will be measured in terms of impact on Net Income after Taxes, using the same references".

"Medium", "Very high" and "High" are the levels Iberdrola considers as "substantive" impact for CDP response purposes.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

From a strategic/Board of Directors point of view, climate change is a priority element for the company: the growth policy followed by the Group throughout its recent history has proven to be a success story, given the strong bet on the development of renewable energies and flexible smart networks. In any case, the opportunities that for the Group arise from the decarbonization of the global economy weigh more than its risks. The Board’s commitments and vision are reflected in the “Climate Action Policy”. The implication of the Board is not due only to the opportunities involved and the size of the risk, but also due to its mostly long term nature (the impacts of climate change, despite being perceivable already in the short-term, are progressive and act over relatively long periods of time).

From a management perspective, the identification, analysis and response of risks have been integrated, with a global focus, in the ERM (COSO) philosophy, under which IBERDROLA has oriented its risk management time ago. The overall process is approached from a multidepartment perspective, in which both the corporate functions and the businesses take part.

Iberdrola’s BoD and senior management are committed to identifying and evaluating the risks of the Group:

- a) Ex ante: the risk tolerance levels are reviewed and approved annually through risk policies and limits that establish the qualitative and quantitative risk appetite at the level of the Group and at each of the principal businesses and corporate functions. Also in this analysis, structural risks (in medium and long term, as climate change) are identified. The Investment Risk Policy includes the need to analyse climate change risks in the Investment Dossiers.
- b) Ex post: at least quarterly it takes place a review of i) major risks of the Group (“Key Risk Report” or “KRR”) and ii) compliance with the limits and indicators of risk policies. In this process both business and corporate functions take place, with the main risks presented in different forums (Group Risk Committee, BoD of the subsidiaries, Operating Committee of the Group and Audit and Risk Supervision Committee of the BoD of the holding entity). The Group’s Risk Committee evaluates and monitors the main risks on a monthly basis. This committee is supported by monthly Credit Risk and Market Risk Committees. On at least a quarterly basis, the Audit and Risk Supervision Committee of the BoD reviews the Group’s quarterly risk report.

The Group has been dealing with the management of risks (such as market risks, physical risks and regulatory risks) for more than a century. In this sense, most of the risks categories defined in our General Risk Control and Management Policy are accelerated or restrained by factors linked to climate change and global decarbonization. During 2021 in the investment dossiers, on which investment decisions on new onshore wind and PV assets (“FID”, in international terminology) are based. The model, promoted by several corporate divisions with the help of Renewables, has been constructed on the basis of the survey. This document should be completed by the Business (from a technical perspective), taking into account the particularities of each site. The main variables and related risks have been identified based on existing internal studies, allowing the Business to verify all items in each survey. By contrast, physical risks, due to their nature, are analysed using climate projections from various sources, with different levels of granularity and time horizons, that are made available to ththe KRR following items are (at least) included: probability, economic impact, mitigation actions, evolution versus previous quarter, reputational impact and responsible. The Group not only invests in renewables to mitigate (reducing emissions), but also is analysing and implementing operational measures to improve the resilience of its assets. Another examples of management tools: proactive relationship with regulators, intra-group transfer of best practices and risk analysis of new investments. The Group also transfer some of the risks to third parties (ie: insurance, hedges), and/or accept other risks (ie: wind, solar and hydro resource). In most of the cases constant monitoring and control of positions is performed.

The analysis of climate change risks is applied not only to the risks inherent to the Group, but also to credit risk of key customers (downstream) and suppliers (upstream).

- Example of transition risk: prices of electricity respond to several variables, among others prices of fuels and emission allowances, demand, availability of wind or water, potential operational problems in networks or other power plants, etc. Furthermore, the perception of players about governments and companies’ strategies about climate change is a factor with increasing significance in the formation of prices. In this regard, the evolution of prices in the wholesale electricity markets where Iberdrola Group operates is a source of volatility in the annual P&L. This is a structural risk, identified annually in the Risk Policy of the Renewables Business, but also constantly monitored through different limits and indicators, especially in the monthly Market Risk Committee. The natural hedge provided by the customers of Iberdrola, the diversified generation portfolio (in terms of technology) and the use of financial hedges help to mitigate the risk. Also internal resources are optimized, since management of market risk of the Renewables Businesses in Spain, the UK, Brazil and Mexico is transferred to the Liberalized Businesses of those countries so that it can be integrated into a single risk position. Management of market risk of the Renewables Business in the US is integrated within the business itself

- Example of physical risk: the impacts of future physical extreme weather events on operational assets is a source of risk for any company. In this regard, Iberdrola assesses how its assets could be affected by events such as heat and cold waves, extreme precipitation, storms, hurricanes, wildfires, etc. This is a structural risk, identified annually in the Risk Policy of the Renewables Business, but also constantly managed during the design and construction phase (through engineering and contingencies) and during the operational life of the asset, by investing in improvements, training of employees, emergency plans, etc. according to internal operational procedures. For new FV developments, high efficiency panels are selected when applicable to minimize efficiency losses due to high temperatures. Residual risk is in some cases transferred to 3rd parties through insurance. The insurance does not completely eliminate operational risk, since it is not always possible, or it is not in Iberdrola’s interest, to pass such risk on to insurance companies. In addition, cover is always subject to certain limitations.

C2.2a

(C2.2a) Which risk types are considered in your organization’s climate-related risk assessments?

Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Regulation is one of the most relevant items of climate transition risks/opp for Iberdrola, since a very relevant portion of its activities come from regulated and quasi regulated activities (networks and renewables). In this regard, policy actions that attempt to constrain CO2 emissions, or encourage clean activities, could affect Iberdrola (either positive or negatively).</p> <p>The Management Committees of every country where the Group operates monitor potential changes in regulation including that linked to climate change and energy transition. In those committees both the businesses and corporate functions are represented.</p> <p>In terms of new investments, the assessment of this kind of risks is made through the use of scenarios, qualitative analysis and sensitivities.</p> <p>Risk Policies include an identification of structural risks, including regulatory, and in some cases limits and indicators have been included in the Risk Policies to monitor, at least quarterly, the risks (ie: number of MWs under regulated regimes vs at market terms).</p> <p>Example Regulatory Risk in Network Business in UK: The framework of remuneration for electricity transmission and distribution activities in the UK is in accordance with a price control model based on the recognised cost of capital (WACC), the depreciation of assets, and operating and maintenance costs, plus an incentive which is obtained if management is better than the regulatory standard, and which the companies retain (in part) in the following tariff revision. The current regulatory model for SPD and SPM is based on the RIIO ED1 framework, and on the RIIO T2 framework in the case of SPT. The latest tariff revision for electricity distributors (RIIO ED1), including SPD and SPM, is valid from April 2015 to April 2023. The SPT revision (RIIO T2) is valid from April 2021 to April 2026. Recognised ROE after tax (in real terms) is 6% for SPD and SPM and 4.25% for SPT The regulator (OFGEM) also establishes incentives/penalties for safety, environmental impact, consumer effect satisfaction, social obligations, connections, and quality, which may have an effect on the income statement.</p>
Emerging regulation	Relevant, always included	<p>Example of Spain regulations to mitigate rises in gas market and CO2 prices (happened during 2021 and expected for 2022) As a consequence of the ongoing and steep rise in prices in international gas markets and CO2 emission allowances, and their impact on wholesale electricity prices and regulated rates for last resort retailers, in 2021 the Spanish government approved various measures to act in the Spanish electricity market, among which the following are worth highlighting: - Royal Decree-Law 17/2021, of 14 September, on urgent measures to mitigate the impact of soaring natural gas prices on the retail gas and electricity markets, which establishes a reduction in the price of gas for electricity production facilities that do not emit greenhouse gases, which is partially mitigated as a result of the approval of Royal Decree-Law 23/2021, of 26 October, on urgent energy measures to protect consumers and introduce transparency in the wholesale and retail electricity and natural gas markets. - Draft Bill to act on the remuneration of CO2 not emitted from the electricity market, was under development. Its ultimate impact on the Iberdrola Group is still uncertain.</p>
Technology	Relevant, sometimes included	<p>Climate-related technological risks, as the emergence of new technologies, or reduction of LCOEs of existing technologies, can result in threats and opportunities for Iberdrola, which could see its generation assets affected in the merit order. In the transition to a low carbon, energy-efficient economic system, some technologies may be winners but others not. In this regard it must be noted that most of Iberdrola's generation portfolio is renewables, a technology aligned with a transition to a decarbonised energy model, with a lower contribution from CCGT and nuclear, but in any case based on mature technologies. No presence in potential stranded assets (ie: coal, oil) is held. This is why "Relevant, sometimes included" has been selected.</p> <p>When decisions are taken to invest in new renewable assets, in the Investment Dossiers the climate-related technological risks are addressed, including qualitative analysis, technical reviews and sensitivities.</p> <p>Example: During performance of all of the IBERDROLA Group's activities, direct or indirect losses may arise as a result of inadequate internal procedures, technical failures, human error or external factors (such as climate physical factors). The following specific risks are identified and monitored regarding operational and technological risks in Iberdrola, among others:</p> <ul style="list-style-type: none"> • Malfunctions, explosions, fire, toxic spillages or polluting emissions in gas and electricity distribution networks and in both traditional and renewable generation plants. • Technological failures, human error and technological obsolescence; • Force majeure events. • Climate change, extreme natural events and pandemics; • Sabotage and/or terrorism. • Physical safety and cybersecurity. • System failures. <p>Any of these risks could cause damage or destruction to the IBERDROLA Group's facilities and financial losses, as well as injuries or losses to third parties or damage to the environment, along with the ensuing lawsuits, especially in the event of power outages caused by incidents at our distribution networks, as well as possible penalties imposed by the authorities. Although many of these factors are unpredictable, the IBERDROLA Group mitigates these risks by carrying out the necessary investments, implementing operation and maintenance procedures and programmes (supported by quality control systems), planning appropriate employee training, and taking out the required insurance covering both material damages and civil liability.</p>
Legal	Relevant, sometimes included	<p>The IBERDROLA Group companies are party to certain in-court and out-of-court disputes within the ordinary course of their activities, the final result of which is generally uncertain. An adverse result or an out-of-court resolution of these or other proceedings in the future could have a material adverse effect on our business, financial situation, operating results and cash flows, as well as our reputation. As is standard practice, provisions have been made for this purpose, based on the opinion of the Group's legal advisors.</p> <p>Climate-related legal risks may have economic and (mostly) reputational impact, but the probability to occur is considered low (Iberdrola is mostly active in networks and renewables, not intensive polluters segments). Having said that, as any other risk, it must be followed and monitored. The businesses and the Legal Department should be the key actors in case of a demand.</p> <p>In addition, the IBERDROLA Group has provisions for responsibilities arising from litigation in progress and from indemnity payments, obligations, collateral and other similar guarantees, and those aimed at covering environmental risks. The latter have been determined on a case-by-case analysis of the situation of the polluted assets and the cost that will have to be incurred in cleaning them.</p> <p>Example: Administrative actions in Brazil: Brazil is known for being a jurisdiction with a high risk of litigation and there are multiple inspections in progress, given Brazil's tax and administrative structure and the usual procedure followed by the tax authorities. However, these procedures are rarely settled in favour of the tax authorities.</p> <p>Example: Network Business in Main, USA. The investigation commenced in April by the Maine regulator (MPUC) on how Central Maine Power Company (CMP) handled the surge in applications to connect renewables to its grid concluded that CMP responded robustly, although it was slow to detect and resolve certain technical problems arising from the massive penetration of renewables. In December CMP submitted a joint proposal with Maine's renewable associations to close the investigation and release the analyses on renewable grid integration capacity.</p>
Market	Relevant, always included	<p>Exposure of the Group's results and equity to variations in prices and other market variables, imply market risks, such as:</p> <ul style="list-style-type: none"> - Financial: exchange rates, interest rates, credit spreads, inflation, liquidity, solvency and the value of financial assets and liabilities - Energy and other commodity prices: electricity prices, gas and other fuel prices, CO2 emission allowances or other support mechanisms for renewables, as well as those related to other commodities (steel, aluminium, copper, polysilicon and others). <p>Iberdrola has a specific committee devoted to monthly monitor and control market risk, the Group Market Risk Committee.</p> <p>In the Investment Dossiers for new renewable assets, the climate-related market risks are addressed, including probabilistic analysis, qualitative and technical reviews and sensitivities.</p> <p>Among the Policies approved by the Board, it is included the Corporate Market Risk Policy.</p> <p>Example: Commodity price risk in Spain Given the 2021 market conditions, the production price of the combined cycle plants defines, to a large extent, the price of electricity in Spain since combined cycles provide the marginal technology necessary to cover electricity demand. Consequently, the price of natural gas conditions revenues from the other less expensive technologies which are used to cover demand. The price of CO2 also influences the cost of production in thermal power plants. In 2021, the Iberdrola Group supplied gas at prices indexed to European markets, with uncertainty associated with the difference between the purchase price and the price at which it is sold to customers or the price of gas consumed by combined cycle plants.</p>

	Relevance & inclusion	Please explain
Reputation	Relevant, always included	<p>In the KRR periodically updated by every Business/Corporation all the key risks are identified, including the climate-related reputational risks. KRR includes a classification of risk into families: in this case the risks can be included in the chapter "Reputational risks" or select "Yes" in the section "Reputational impact" of any risk.</p> <p>Furthermore, the internal tool for implementing the Global Stakeholder Engagement Model is another tool for identifying, assessing and monitoring risks, taking into account Stakeholder's opinion. It includes types of relevant issues, opportunities and risks, including related with climate change, in order for users to identify specific key aspects. Reputational risk is also a possible tag to add when identifying and assessing risks, so early identification is possible and it would feed the Global risk KRR.</p> <p>Reputation is a strategic asset for the Group, under the philosophy that social contributions by the Company and the expectations of its stakeholders are key drivers, in addition to financial performance. Despite the fact that Iberdrola is perceived as a "green" player in the fight against climate change, there always could happen certain events with negative media coverage. It could also imply shifts in consumer preferences and stigmatization of the Group. Iberdrola has in place several tools to constantly monitor its reputation in the different countries where it operates. Among the Policies approved by the Board, it is included the Reputational Risk Framework Policy.</p> <p>Examples: in the Group's Stakeholders management tool it has been included and monotonized the following reputational risks linked with climate change, among others:</p> <ul style="list-style-type: none"> - Negative impacts on communities due the cease of activities: Coal power plant closures Spain. - Local Biodiversity impact, air quality, water and soil. Liberalized business. C.G. EW Aranda and C.G. EW Vitoria. Spain. - Costs of electricity. Wholesale and retail business. Spain
Acute physical	Relevant, always included	<p>Iberdrola's assets could be affected by physical extreme weather-related. Iberdrola is fully aware of this risk, and manages it during several stages of the projects: - at the investment decision, as investment dossiers of new renewable assets, the climate-related acute physical risks are addressed, including probabilistic analysis, qualitative and technical reviews and sensitivities to assess potential impacts during the asset life; - at the design and construction phase (through engineering and contingencies); and - during the operational life of the asset by investing in improvements, training of employees, response and emergency plans, assurances, etc. Adaptation plans are also applied.</p> <p>In general, these risks are linked to short term operational risks and specific Action Plans are created to deal with them, at business/asset level.</p> <p>This risks, which are set out in the General Risk Control and Management Policy, monitored periodically, are not new for Iberdrola, and it has been dealing with this kind of risks for decades, even before the concept of climate change became mainstream. Extreme events linked to this specific risk and analysed at the Group level are:</p> <ul style="list-style-type: none"> - Heat waves/fires: greater technical losses, stronger and more frequent peak loads - Cold snaps: damage and outages, ice sleeves - Storms Extreme precipitation : physical damage to infrastructure <p>Example: Physical risks in Regulated business due to extreme conditions Greater frequency of extreme climatic events may entail increased technical losses, worse levels of services, an increase in operation and maintenance costs (associated with various factors such as increased technical losses and reduced useful life of assets) and annual capital expenditure, although in perfectly manageable amounts given the multi-year tariff reviews that take place at these regulated businesses. The investment and response plans already in place, together with accumulated experience and sound network design (meshing and making lines underground) would act as mitigating factors.</p> <p>Example: Networks business market risk. in the case of extraordinary events (extreme drought in Brazil, catastrophic storms in the United States, etc.), occasional temporary imbalances between payments and collections may arise with an impact on the cash flows of some of these businesses and potentially on profits recognised under IFRS</p>
Chronic physical	Relevant, always included	<p>Physical risks resulting from climate change can be longer-term shifts in climate patterns, such as sea level variations, changes of precipitation patterns, rise of mean temperatures or higher variability of wind and solar, etc. For Iberdrola, with its extensive portfolio/projects of renewables generation and network assets, this could imply, for example, a change in the way O&M will take place in the future.</p> <p>This risks are set out in the General Risk Control and Management Policy and monitored periodically.</p> <p>Added to the uncertainty associated to long-term global climate projections is the need to specify the impact on the geographical regions where our assets are located. This analysis is included into the company risk assessment process by virtue of:</p> <ol style="list-style-type: none"> In order to determine with a certain level of confidence the potential impact of the variability of these resources on the regions/facilities of Iberdrola, specific studies are being performed in this area, supported by Iberdrola's own knowledge as well as by experts in the field. In the KRR periodically updated by every Business/Corporation, all the key risks are identified, including the climate-related chronic physical risks. Time frame for these risks is usually medium and long term. <p>Chronic physical risks are managed during several stages: - at the investment decision, including probabilistic analysis, qualitative and technical reviews & sensitivities to assess potential impacts during the asset life; - at the design and construction phase (through engineering and contingencies); and - during operational life by investing in improvements, training of employees, response and emergency plans, assurances, etc. Adaptation plans are also applied.</p> <p>Example: Despite having a large water storage capacity in Spain, the Group's annual results depend significantly on annual rainfall contributions. The changes in output from a dry year to a wet year with respect to the average reference value can be up to - 4,000 GWh & +5,000 GWh respectively in Spain. In the medium to long term, dry years are offset by wet years. Assuming, 5% lower production over an average year of the current generation facilities, a medium-term impact on the margin (discounting pumping) of approximately 23 M€ is estimated, based on average prices over the following decade.</p> <p>In this regard, Iberdrola is taking a series of measures like investing in pumped hydro storage (Alto Tamega).</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Precipitation and/or hydrological variability
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Primary potential financial impact

Other, please specify (Decreased revenues as a result of future levels of annual water inflows lower than the ones today)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Hydro is a natural resource. The capacity of Iberdrola to produce GWh directly depends on the volume of water flowing. In the dams, Iberdrola has to some extent the capacity to store energy in the form of reservoirs, with rain and snowbreak being the main inflows. Therefore these power plants consume water to produce electricity. Lower rain means lower GWh produced, unless you decide to increase production reducing the reserves. In addition, lower rain usually implies higher wholesale energy hourly prices in marginalist markets and higher replacement cost of energy.

At Group level, 26.9% of the total owned installed capacity at Q1-2022 was hydro, which proves how material this risk can be for Iberdrola, especially in Spain (in Brazil the business benefits from the mitigation factor offered by the GSF factor).

Iberdrola had 10,700 MW of hydro power plants in Spain as of Q1-2022 (37.5% of Iberdrola's total installed capacity in the country), excluding mini hydro power stations, mainly located in the center and northern half of Spain. In 2021 (12 months) circa 24% of the total production by Iberdrola in Spain came from its hydro assets. In Brazil we had 3,031 MW of installed hydroelectric capacity as of Q1-2022.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

23000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Despite having a large water storage capacity in Spain, the Group's annual results depend significantly on annual rainfall contributions.

The changes in Iberdrola's output from a dry year to a wet year with respect to the average reference value can be up to -4,000 GWh and +5,000 GWh respectively, excluding extreme deviations. Assuming, for example, 5% lower production over an average year of the current generation facilities, a medium-term impact on the margin (discounting pumping) of approximately EUR 23 million is estimated, based on average prices over the following decade, as per Iberdrola's Consolidated Financial Report 2021.

(internal estimations that consider the results for our key basins of reference studies by the CEDEX (Spanish Ministry of Transport, Mobility and Urban Agenda) .

Cost of response to risk

343000000

Description of response and explanation of cost calculation

To tackle with the variation in power production output in hydro assets due to rainfall variations we focus in compensate hydro production with other technology production/storage.

The potential permanent replacement of 650 GWh of missing hydro production per year (5% of an average year) with production of new wind and photovoltaic assets could require to invest 343 €M in 150 MW of new wind farms and 190 MW of new photovoltaic installations. This assumes load factors of 24% (wind) and 20% (solar) and capex figures of 1.15 €/MW in wind and 0.70 €/MW in solar.

Insurance (transfer) is not considered an efficient risk mitigation strategy for this risk, and therefore main strategy is accepting the risk (on an annual basis), while working on other measures. In the medium to long term, dry years are offset by wet years. Also geographical diversification at basin and country level helps to mitigate the risk.

Our 20-25 plan includes the wind and solar development and furthermore includes measures for the conversion of conventional plants (turbination only) to mixed pumping / turbination plants, preferably using existing reservoirs. In addition, measures to develop systems that optimize the operation of the power plants at low loads, both in the pumping regime and in the turbination regime, have been implemented. In parallel, Iberdrola is investing heavily in new pumping assets (as the case of the recent Alto Tamega power plant, which became operational in 1H-2022) and also wind and photovoltaic assets to promote diversification and reduce weight of hydro in the total generation mix.

On top of that, Iberdrola could not be able to renew the concessions of its hydro plants in Spain.

Comment

The Group manages a portfolio of 28,527 MW of generation capacity in Spain, with different technologies, as of the end of Q1-2022, with almost 11 million customers. An integrated management allows more flexibility. Furthermore, constant monitoring of volumes and exposure are carried out by the Market Risk Department

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (increase of extreme weather events)
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Climate change could imply several risks for the Networks business of Iberdrola, among others increased technical losses, worse levels of services, reduced useful lives of assets, higher capex requirements, etc. The base of operating costs, accounted for between Gross Margin and EBITDA, may increase. By way of example, extreme weather events could force Iberdrola Networks to carry out inspections of certain assets more frequently than today. If more costs are required to run the business but Iberdrola is not able to increase regulated revenues accordingly, then margins will decrease permanently.

Iberdrola is an industrial company, with a very relevant asset base, of circa 80 €bn of "Property, plant and equipment" in its consolidated Balance Sheet as of the end of 2021. In that year Iberdrola Global Networks incurred in 2,879 €M of net operating expenses, including levies. Reported EBITDA of the Networks Business of the Group in 2021 amounted to 5.4 €bn. RABs of our Networks business in each of our main countries were (as of Dec-2021): 9.29 €bn in Spain, 7.14 GBP bn in UK, 11.87 \$bn in US and 25.95 BRL bn in Brazil.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

49000000

Potential financial impact figure – maximum (currency)

58000000

Explanation of financial impact figure

For the purposes of CDP the range considered is the one limited by increase of 1.7% (lower value) and 2.0% (higher value) over the existing operating cost figure at Global level for the Network business, based on preliminary internal qualitative analysis. The increase should not emerge in one specific year, but rather progressively.

Cost of response to risk

700000

Description of response and explanation of cost calculation

The cost of response to risks reported in this question refers to the estimated average annual salary costs required for the definition, management and monitoring of Iberdrola's Global Networks O&M improvement strategies, considering an average cost per headcount of around 70,000 € and an estimated team of 10 people responsible (acting on a global basis), for one year.

This team's mission is to identify changes in the way we run the Networks business in order to optimize processes and proactively increase resilience of the assets and reduce the impact from weather extreme events. It also establishes internal standards and performs internal training and identifies new equipment that contributes to absorb the negative effects of climate change by way of higher efficiency and lower maintenance requirements. It leverages on its existent (long) experience in managing climate risks, in regions currently exposed to relatively extreme weather conditions. For example, O&M protocols in areas of Spain in the Mediterranean sea with high levels of rain in Autumn already consider restrictions to average O&M.

Comment

The following aspects also help to mitigate the impact and manage the risk:

- Likely recovery of the bulk of the O&M costs through regulated tariffs (multi annual tariff reviews).
- Diversification of assets by geography
- Constant replacement of existing assets with new ones (at the end of their operating life), better designed to cope with climate change
- Development of new capabilities in weather forecasting.
- Insurance cover.
- Sound network design (meshing and placing of lines underground)

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Increase severity and frequency of extreme weather events such as heat-waves or cold-waves and storms, affecting electricity generation and demand)
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Primary potential financial impact

Other, please specify (Gross margin impact due to potential contractual supply commitments (to deliver energy), joined with owned generation defaults due to extreme weather conditions, that forces Iberdrola to procure the electricity from the spot market.)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Iberdrola manages a high number of conventional and renewables generation assets in several countries, mainly Spain, UK, USA, Mexico, Brasil, Germany and Australia. As of Q1-2022 the total installed capacity owned or managed by Iberdrola Group amounted to 58,590 MW worldwide. The regulation and road-to-market strategy in each of them is different. In Spain Iberdrola benefits from an integrated position, with owned generation and a stable customer base.

The severity or the duration of a meteorological extreme event derived from climate change, could impact in the capability of the production assets to generate electricity and it could be reduced or even become unavailable during a certain period of time (depending on the intensity of the event). Leaving aside some options as batteries and pumping, electricity cannot be stored. This implies that supply obligations (retail or PPAs) previously acquired in the affected country/area could force Iberdrola to acquire the energy in the spot markets to honour the supply contracts, and during these events, prices may suffer significant increases, due to lower offer and higher demand (ie: need of more heating to cope with low temperatures).

The impact for Iberdrola would depend not only on the prices (cap values could be applied), but also the commercial commitments previously acquired and the length of the natural event.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

60000000

Potential financial impact figure – maximum (currency)

150000000

Explanation of financial impact figure

Iberdrola conducted several stress tests exercises in 1H-2021 in several jurisdictions (Spain, US, UK, Brazil, Mexico and Australia), which could be considered as a reasonable exercise leaving aside the current energy crisis.

For example, for the renewable generation in USA it was assumed a 90% reduction in wind generation to be bought back in the market to cover firm contractual commitments (PPAs or wholesale) and a Texas cap price in the spot market of 9,000 \$/MWh. In Spain, it was assumed again a 90% reduction in wind generation, with prices below 200 €/MWh.

For the purposes of CDP response, figures for the potential financial impact range are associated with scenarios in the same year of 2-3 days in the main markets (Spain, USA, others...) for the lower figure, and 3-5 consecutive days for the higher figure, with current FX rates.

Maximum impact calculated at market cap price and with no consideration of mitigants like backup generation or market management. The above mentioned figures do not include second potential derivatives, such as new regulatory obligations to be implemented to avoid similar episodes in the future, credit defaults of agents in the system or the imposition by the regulator of technical measures (ie: weatherization).

Cost of response to risk

60000000

Description of response and explanation of cost calculation

Cost calculation: up to 50 €M of weatherization and other technical measures in Iberdrola's assets to increase resiliency and up to 10 €M/year of changes in hedging policies (ie: to accept a lower supply margin by not selling in advance and remain exposed to market prices).

Description of response: this is to some extent a structural risk. In the case of renewable assets the risk can be mitigated if PPAs are "as produced", but this option is not a solution for a big number of customers. The Energy Management teams in each market, in collaboration with the Supply arms, closely monitors the position in each market, and manages this risk according with Iberdrola Group risk appetite for each market, defined by risk management policies. The decision is based, among others, how long/short you are, the price caps, how liquid the markets are, regulation, the composition of our generation mix in each country, etc. Total elimination of the risk is not feasible. The cost of an Insurance coverage is not competitive, but (partial) contractual transfer or risk is always explored and sometimes contracted if interesting.

From an availability point of view other measures are taken to improve the performance of generation assets in front of extreme events including application of new materials and systems that can withstand higher/lower temperatures, improving firefighting and emergency management systems, early warning systems, enhancing of predictive systems (Meteoflow), remote monitoring and telecontrol, etc

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased production capacity

Company-specific description

Iberdrola's Renewable business has a great growth opportunity, driven by the increasing demand on renewable energy services from our clients and from potential new clients, both residential and industrial clients, who are looking for clean solutions for its consumption, in the global path to the end users decarbonization. Renewable sources are at the epicentre of decarbonisation, to achieve the emission reductions needed for the Paris Agreement's targets (a 45% reduction in emissions by 2030 compared to those in 2010 and achieving zero net emissions by 2050 "Special Report of the IPCC on Global Warming of 1.5 °C")

The Glasgow Climate Pact 2021 called on all countries to revisit and strengthen the 2030 targets in their NDCs by the end of 2022, to align with the Paris Agreement temperature goal.

EU wants to accelerate the take-up of renewables to contribute and reach the goal of reducing net greenhouse gas emissions by at least 55% by 2030. The Commission presented Europe's new 2030 climate targets, including a proposal for amending the Renewable Energy Directive, on 14 July 2021. It seeks to increase the current target to at least 40% renewable energy sources in the EU's overall energy mix by 2030.

Key growth vector for Iberdrola for the 20-25-30 period in renewable business focuses in the offshore wind technology, taking advantage of our advanced position in the offshore wind market, current achieved success experience, key agreements with reference companies, strong presence in key geographical growth areas... etc. .

Furthermore there are specific improvement drivers for our global growth acceleration in offshore wind:

- Economies of scale: large size of turbines and windfarm (capex)
- Standardization and modularity
- Innovations in construction and operation (digitalization, predictive maintenance, controls, sensors and robots)
- Floating offshore: new markets and areas to develop and innovation

EU: the Offshore Wind Development Roadmap: objective of reaching 1 to 3 GW of floating wind power by 2030, for which (EUR 200 million will be made available until 2023 in R&D) and the needs of port infrastructure will be assessed, where EUR 500 million to EUR 1 billion will have to be invested to cover the new logistical needs.

USA: announcing a government-wide effort to deploy 30 GW of offshore wind by 2030.

UK:, the national 40 GW offshore wind target, & Wales, England and Scotland are all working on their own development plans.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4650000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

EBITDA from renewable energy business is expected to grow up to 4650 M€ by 2025 (a share of 31% from the global EBITDA Group).

This estimation has been updated in the last Outlook of the company 2020-2025, and presented in the Capital Markets Day (November, 5th, 2020).

The Outlook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (90 % of the total investment Plan (€75 Bn) aligned with EU taxonomy); maintaining a strong financial position and enabling a sustainable dividend policy. Main financial assumptions for the 2020-2025 period:

- Electricity demand growth (CAGR 2019-2025)

o Spain: +0,4%

o UK: -0,6%

o USA: 0,8%

o Brazil: +2,5%

- Commodity prices 2025:

o Oil, 63 \$/bbl

o Gas, 7 \$/mmBtu

o CO2, 31 €/t

- Power prices 2025:

o Spain, 59 €/MWh (Average 2019-2025 46 €/MWh)

o UK, 47 £/MWh (Average 2019-2025 45 £/MWh)

- Average FX rates vs. Euro 2022:

- o \$: 1.19
- o £ : 0.90
- o BRL: 6.65
- Interest rates 2025
- o €: 0.7%
- o \$: 1.6 %
- o £: 1.2 %
- In line with EPS increase
- 65-75% pay-out. Floor of 40 EUR/Share up to 22 and 0.44 up to 25
- Presence in low risk countries and business
- Adequate liquidity and sources of financing diversified
- Credit rations to support a BBB+, Baa1 rating
- Growing cash flow generation

(Updated strategy publication was delayed due to Global instability and expected to be published in the next Capital Markets day on the last 2022 quarter).

Cost to realize opportunity

34680000000

Strategy to realize opportunity and explanation of cost calculation

Iberdrola is moving forward to be at the head of the global decarbonization needs, accelerating with its 75-billion euro 2020-2025 investment plan, of which 68 billion are earmarked for organic investment. 51% of this organic investment (more than 34 bn€), will be channelled into Renewable Energy area worldwide (cost to realize opportunity figure), which will enable the group to increase its installed capacity to 44 GW by 2022 and 60 GW by 2025 (Cost to realize opportunity figure has been estimated using the same assumptions explained for the financial impact figure for the 2020-2025 period).

In 2021, renewable business contributed 5521 M€ to EBITDA (112.7 % growth compared with 2020)

Key case study in Renewable business is referred to Offshore wind technology:

To address growth offshore opportunity trends Iberdrola had to review its strategy and accelerate investments and cover more expected key growth areas for offshore wind. The new strategy has shown a significant gross expected investments growth in this technology (2,1 EUR Bn from 2020-2022 and 8,8 EUR Bn from 2023-2025), so meaning 10,9 EUR Bn investment plan (more than 31% of the total renewable expected budget for this period). This business is included in the 90% of the investment portion of the Group Plan aligned with the EU Taxonomy for green investments, facilitating access to capital.

Iberdrola is planning to multiply its offshore wind capacity by 6 from 2020 to 2025 with expected investments of €10,9 billion for that period. Also, it is expected Offshore wind contribution to global EBITDA will be 25% in 2025 (about €2 billion).

2021 saw the definitive roll-out of offshore wind energy, which became a major growth platform for the group globally. We have 2,600 MW under construction: Vineyard Wind 1 (800 MW), Park City Wind (804 MW) and Commonwealth Wind (1,232 MW) in USA. Meanwhile, Kitty Hawk Offshore Wind (800 MW) advanced through the study process; East Anglia 1 (714 MW). in UK; Saint Brieuc (496 MW) in France; Baltic Eagle (476 MW) in Germany; and we have a portfolio of 33,400 MW both in our traditional markets and in new markets, including Sweden, Ireland, Taiwan and Japan. Iberdrola is participating in the auction of 1 GW of offshore wind in the coast of Normandy, and has recently been prequalified for the auction of 250 MW of floating offshore wind in Brittany.

Net electricity production from Offshore wind reached 4,617 GWh in 2021 and increase of 5,4% from 2020 figure.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

For Iberdrola, the electrification of the economy accords an essential role to an efficient, smart and flexible electricity transmission and distribution infrastructure, capable of integrating more renewable energy and meeting new requirements in terms of connectivity, digitalisation and demand management (smart grids). Investments on development of the transmission and distribution networks and innovation to achieve more smart assets and have been already key for Iberdrola's strategy, to achieve an efficient, safe and reliable electricity system in the global transition to the decarbonization of the economy for all sectors to achieve Paris agreement's goals and increasing ambition in NDC's targets per country.

The SDS of the WEO'21 anticipates an average investment of around 829,000 M\$/year in grids by 2040, (187% higher than the same figure in the WEO'19), to achieve the needed growth rates to let the global decarbonization happens.

Policy environment in Europe also drives our strategy for our network business in our key areas in Europe:

On 18 February 2021, was published the Recovery and Resilience Fund, which will facilitate the allocation of a total of EUR 672.5 billion. Of the total EUR 672.5 billion, EUR 140 billion correspond to Spain, to be allocated preferentially to energy (compliance with the National Energy and Climate Plan) and digital transitions, in accordance with a Recovery and Resilience Plan.

In Spain, towards the end of 2021, Royal Decree 1125/2021 was released to regulate the granting of subsidies to distributors from European funds, amounting to some €525 million over 2021-2023. These amounts will finance 50% of the investments submitted for network digitalisation/automation as well as grid upgrades for >250 kW recharging points. The investment ceiling may also be increased by twice the amount subsidised in the following financial year.

Iberdrola has the financial capacity, technical experience for management and execution capacity, and it is ahead in innovation, smart grids and digitalization to be at the forefront of these investments, aiming to maintain its leading position to take advantage from this global opportunity.

Iberdrola focuses its R&D in digitalization to improve monitoring, control and automation, to attract customers because we enable them developing new business models and improving their efficiency.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4650000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The Networks business EBITDA is expected to have a growth up to 4650 M€ by 2025. (expected to be a share of 31% from the global EBITDA Group).

This estimation has been updated in the last Outlook of the company 2020-2025, and presented in the Capital Markets Day, on November, 5th, 2020.

The Outlook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (90% of the total investment Plan (€75 Bn) aligned with EU taxonomy); maintaining a strong financial position and enabling a sustainable dividend policy. Main financial assumptions for the 2020-2025 period:

- Electricity demand growth (CAGR 2019-2025)
 - o Spain: +0,4%
 - o UK: -0,6%
 - o USA: 0,8%
 - o Brazil: +2,5%
- Commodity prices 2025:
 - o Oil, 63 \$/bbl
 - o Gas, 7 \$/mmBtu
 - o CO2, 31 €/t
- Power prices 2025:
 - o Spain, 59 €/MWh (Average 2019-2025 46 €/MWh)
 - o UK, 47 £/MWh (Average 2019-2025 45 £/MWh)
- Average FX rates vs. Euro 2022:
 - o \$: 1.19
 - o £: 0.90
 - o BRL: 6.65
- Interest rates 2025
 - o €: 0.7%
 - o \$: 1.6 %
 - o £: 1.2 %
- In line with EPS increase
- 65-75% pay-out. Floor of 40 EUR/Share up to 22 and 0.44 up to 25
- Presence in low risk countries and business
- Adequate liquidity and sources of financing diversified
- Credit ratings to support a BBB+, Baa1 rating
- Growing cash flow generation

(Updated strategy publication was delayed due to Global instability and expected to be published in the next Capital Markets day on the last 2022 quarter).

Cost to realize opportunity

27000000000

Strategy to realize opportunity and explanation of cost calculation

Iberdrola's network development and digitalization has been in continuous improvement to set the blueprint for a Global Smart Grid model supported by a fully functional in-house innovation model to align the Energy Transition needs. Our strategy has been focusing in the opportunities for the decarbonisation model, to be the enabler who favouring energy transition towards a zero-emission economy, through expanding its network assets and positioning in the head of digitalization to maintain a leading position in our core countries.

Iberdrola's plan to cope this opportunity: Over the 2020-2025 period, investment will exceed €27,000 million (cost to realize opportunity) laying the foundations for higher growth in our core countries (using same assumptions as for the financial impact figure).

- Spain (17% of total investment)
- UK (18% of total investment)
- USA (44% of total investment)
- Brazil (21% of total investment)

In 2021:

- The electricity distributed by the Group amounted to 237,752 GWh, an increase of 5.7% compared to the previous year.
- Networks business contributed with 5394 M€ to the global EBITDA, 12,8% more than in 2020.
- Spain region contributed for 30% to the business EBITDA, more than the rest of the key geographical Iberdrola's countries.

Business Case for Network business in Spain:

Key achievements during 2021 in Iberdrola's Network strategy focused in accelerate the net deployment in supporting the country decarbonization and cope this

opportunity included:

o Iberdrola and the European Investment Bank (EIB) have signed a green loan in 2021 worth EUR 550 million to support the development, modernisation and digitisation of the company's electricity distribution networks. This agreement contributes to the development of the grid investment plan that i-DE will pursue between 2021 and 2023 for an amount of EUR 1,472 million and whose objective is to improve the reliability, efficiency and safety of the distribution of renewable and sustainable electricity.

o Iberdrola also announced that it will lead the development of the first Mediterranean Corridor for heavy road transport that will be 100% electric. This project, which will be developed in eastern Spain and covers more than 450 kilometres, will involve i-DE, as it will require the development of a smart grid infrastructure to service the very high power charging infrastructure so as to ensure maximum efficiency.

Comment

Another key achievement for Networks developments in Spain: Royal Decree 1125/2021 (December) was published, which regulates the awarding of grants from European funds to distribution companies. It will total EUR 525 million over 2021-2023, of which i-DE accounts for approximately 34%. These amounts will subsidise 50% of the investments submitted for the digitisation and automation of grids and the necessary reinforcements for recharging points of >250 kW. The subsidised amount will allow investment to be increased above the current limit (0.14% of GDP).

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Iberdrola's Wholesale business growth is based, among others, in having its focus in the customer to provide innovation, flexibility, digitalisation and connectivity in its new products, as per the consumer preferences are demanding.

Iberdrola focuses in providing all the products, services, tools and management to let end users the electrification of its consumptions to lead the decarbonization of the economy.

Iberdrola see end uses decarbonization driven by the efficiency in two main segments:

- Efficiency of transport technologies: electric vehicles and buses for the short term and heavy transport in medium term.
- Efficiency of heating technologies: heat pumps for private users and in the medium term for industrial heat.

Green Hydrogen has been identified by Iberdrola's technological Vision as: key opportunity niche area for decarbonization to focus from now on, where electrification is not possible or competitive, to develop of new products and services through R&D and innovation.

The key drivers for green H2 cost reduction for Iberdrola are:

- Reduction of electricity costs ~30-40% (solar PV, onshore and offshore wind)
- Reduction of electrolyser Capex ~ 40-50% (due to economies of scale and innovations)
- Increasing Electrolyser Load Factor ~10-20% (from higher load factors from renewables)

So that, costs ranges of Green H2 production expected by Iberdrola to decrease 35-60% during the next decade (2020-2030), in range with Bloomberg NEF forecasts.

From the demand side, the Sustainable Development Scenario (WEO 2020, IEA) expects an exponential increase in Green Hydrogen supplied by electricity, starting from 20% in 2020, 33% in 2030 and expected to cover 43% by 2050.

Regulatory environment supporting this key opportunity:

- Spain: The Hydrogen Roadmap, which identifies renewable hydrogen as a key solution for decarbonising those industries that are difficult to electrify, was approved in October 2020. The document sets national objectives to be reached by 2030, including the installation of at least 4 GW of electrolyser capacity, a 25% minimum contribution of renewable hydrogen to total consumption by the industry, and specific minimums for the HGV fleet and hydrogen refuelling stations.
- EU: The European Hydrogen Strategy, which sets milestones for three time horizons (2024, 2030 and 2050) and forms part of the policies to achieve carbon neutrality in the EU by 2050.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3300000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The growth in retail will lead an incremental of 3,3 Bn€ EBITDA by 2025 for the liberalised business and expected a total of 60 million of contracts with customers in 2025 (1.4x growth from 2019 contract figure).

This estimation has been updated in the last Outlook of the company 2020-2025, and presented in the Capital Markets Day in November, 5th, 2020.

The Outlook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (75-81% of the total investment Plan (€75 Bn) aligned with EU taxonomy); maintaining a strong financial position and enabling a sustainable dividend policy. Main financial assumptions for the 2020-2025 period:

- Electricity demand growth (CAGR 2019-2025)
 - o Spain: +0,4%
 - o UK: -0,6%
 - o USA: 0,8%
 - o Brazil: +2,5%
- Commodity prices 2025:
 - o Oil, 63 \$/bbl
 - o Gas, 7 \$/mmBtu
 - o CO2, 31 €/t
- Power prices 2025:
 - o Spain, 59 €/MWh (Average 2019-2025 46 €/MWh)
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 - o BRL: 6.65
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 - o €: 0.7%
 - o \$: 1.6 %
 - o £: 1.2 %
- In line with EPS increase
- 65-75% pay-out. Floor of 40 EUR/Share up to 22 and 0.44 up to 25
- Presence in low risk countries and business
- Adequate liquidity and sources of financing diversified
- Credit ratings to support a BBB+, Baa1 rating
- Growing cash flow generation

Cost to realize opportunity

6120000000

Strategy to realize opportunity and explanation of cost calculation

Iberdrola's opportunity context for Green H2 is explained in company's specific description section.

This specific opportunity has been identified for Iberdrola's Wholesale business: Iberdrola has set up a strategy to take advantage of this business niche linked with its fight against climate change and decarbonization of the economies global focus. Green Hydrogen is key for decarbonize industrial uses and hard-to-abate sectors, (16% of the current EU final energy demand comes from grey to green hydrogen in current uses as industrial feedstock and chemicals (as main current opportunities) and from hard-to-abate sectors as maritime transport, air transport and long-haul heavy transport (this are the future segment opportunities) (more context in the Company-specific description section).

So Iberdrola started its Green Hydrogen development in 2020 stating three key pillars in the whole value chain of this new product:

- Increase the share of renewables energy demand for this industrial use
- Supporting the creation of new manufacturers of electrolyzers
- Industrial alliances with leading companies

From the >6 € Bn gross investment in Liberalized business in 2025 (Cost to realize opportunity), up to 0,7 € Bn are expected to be invested in the Group's Green Hydrogen strategy, so more than 11%. Investments are spread over the Outlook timeframe, corresponding a 0,1 € Bn for the 2020-2022 period, and 0,6 € Bn for 2023-2025.

Regarding expected MW in the green H2 strategy, are envisaged to reach ~ 600 MW in 2025, 50 MW in 2022, starting from 0 MW in 2019. Translating this operational figures into H2 tons, ~15,000 tons H2 will be produced in 2025 and 1,000 tons H2 in 2022.

2020 saw the first steps in its strategy in Spain:

- Development of the largest complex in Europe for green hydrogen for industrial use, in Puertollano (Ciudad Real) (operational in 2021), with a 20 MW electrolyser and an investment of 150 M€. The plant consists of a photovoltaic solar plant, an ion-lithium battery system and one of the world's largest hydrogen production systems using electrolysis. The hydrogen produced will be used at a Fertiberia ammonia factory.
- Industrial alliance between Iberdrola and Fertiberia, a leading European producer of sustainable fertilisers. The plan will develop 800 MW of green hydrogen with an investment of 1,800 million euros by 202

Comment

Other Green H2 projects pipeline:

- Iberdrola is leading a project in Aragon (Spain) for the generation of green hydrogen that includes the construction of a hydrogeneration plant in the PLAZA Logistics Platform in Zaragoza, with a power of 10 MW in electrolyzers, which will allow the production and supply of green hydrogen to heavy transport and thus moving towards increasingly sustainable mobility. It will represent an investment of more than €36 million and would include the construction of a self-consumption photovoltaic plant that, accompanied by the supply of renewable energy from Iberdrola, will allow the facility to only use electricity from energy sources emission free.
- Agreement for the supply of hydrogen from renewable sources to the Barcelona urban bus fleet through a plant that will also be able to serve other fleets of electric vehicles.
- In the UK, Iberdrola has launched the green hydrogen project that will allow the production of sustainable Scotch whiskey in the Highlands. It will develop a green hydrogen project in the Highlands that will allow Scotland to develop this technology and combat climate change in the production of whiskey, among other beverages. The North of Scotland Hydrogen Program aims to develop a state-of-the-art facility in the Cromarty Fjord to produce, store and distribute renewable hydrogen in the region.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

As stated in the Activities Report of the Board of Directors and of the Committees thereof – 2021, a new mechanism has been included in the Board of Directors duties, regarding this matter.

During General Shareholder Meeting 2021 was proposed and approved the Amendment of Article 32 of the By-Laws to include the approval of a climate action plan (Article 32 includes Powers of the Board of Directors) (See item nº 9 on the Agenda).

- New duties assigned to the Board of Directors during financial year 2021: Approve and regularly update a Climate Action Plan to reach greenhouse gas emission neutrality by 2050. This Plan must include the interim objectives, the strategy and the investment plan contemplated to achieve said objectives, as well as the methodologies used to evaluate the implementation thereof.

Regarding monitoring mechanism, it was also included: "Statement of non-financial information shall also report on the level of achievement and any updates of the climate action plan approved by the Board of Directors". (See item nº 11 on the Agenda).

Regarding feedback mechanism it was also included: "Approve, on a consultative basis, the Climate Action Policy of IBERDROLA, S.A" "This consultative vote forms part of the company's engagement with shareholders in order to know their opinions and concerns, which are taken into account by the Board of Directors in preparing the agenda for the General Shareholders' Meeting" "the Climate Action Policy sets out the long-term objective of neutrality in greenhouse gas emissions, as well as the Company's major principles and positions in this area, but does not set its strategy or the specific content of the climate action plan, which will be regularly approved and updated by the Board of Directors." "Given its consultative nature, the purpose of this vote is to obtain the opinion of shareholders on this new Climate Action Policy to be taken into account in the ongoing update of the Governance and Sustainability System, and particularly in future amendments of said policy, by the Board of Directors" (See item nº 27 on the Agenda).

During financial year 2021, the Sustainable Development Committee supervised the development of the new Climate Action Plan as a new area within its purview during several meetings.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your transition plan (optional)

- IBERDROLA_Activities Report of the Board of Directors and of the Committees thereof 2021 .pdf
- Iberdrolas_Climate_Action_2021.pdf
- Iberdrolas_gsm21_Adoptedresolutions.pdf
- IB_Annual_Financial_Information_2021.pdf
- IB_Integrated_Report_2022.pdf
- SustainabilityReport2021.pdf

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices		
<table border="1"> <tr> <td>Transition scenarios</td> <td>IEA NZE 2050</td> </tr> </table>	Transition scenarios	IEA NZE 2050	Company-wide	<Not Applicable>	<p>In 2021 Iberdrola updated its analysis of transition scenarios stemming from climate change using same methodology as in 2020. This analysis is based on the group's strategy (Outlook 20-25), and on most recent versions of selected bench line transition scenarios.</p> <p>The scenarios selected are based on plausible forecasts prepared by the IEA (WEO-21). The Iberdrola's Outlook 20-25 is based on a central scenario (Sustainable Development Scenario) and another 2 scenarios (Stated Policies Scenario (STEPS) and Net Zero 2050 (NZE2050) are considered on which the potential risks and opportunities have been assessed.</p> <p>For 25-30 period: it has been applied a methodology that considers the impacts and opportunities as a result of the change in macroeconomic or sectoral parameters considered most significant for the group's businesses in each country.</p> <p>Key parameters considered obtained from EIA public information are: • Final electricity demand (TWh), • Weight of electricity in final energy consumption (%), • Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Installed gas capacity (GW), • Intensity of CO2 emissions in the electricity sector (MtCO2) and • carbon price (€/tCO2).</p> <p>The analysis included all Iberdrola's businesses: Renewables, Generation, Networks, Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil & IEI.</p> <p>Key operational parameters per business to analyse its potential impact against climate scenarios are: Total production (GWh), Renewable capacity (GW), Thermal capacity (GW), Customers (GWh), Investment in networks (M€).</p> <p>Variations in operational parameters are translated into qualitative impacts (positive & negative), and translated into financial figures (EBITDA), to provide (qualitative & quantitative) impact.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> - Strategic planning based on SDS scenario - Financial planning based on Paris agreement. <p>-The Net-Zero scenario evaluated assuming organic growth and a stable balance sheet structure.</p> <p>-2030-2050 period: The qualitative exercise of extrapolating the analysis of transition risks and the group's business model was applied, based on available long-term projections.</p> <p>-2020-2025 period: Cited scenarios are evaluated for short term impacts, according to an assessment of the sensitivity of the assumptions of the Outlook 20-25 and forecasts of the different businesses and key countries. Variations are expected not to be material, per those assumed for the Outlook 20-25.</p>
Transition scenarios	IEA NZE 2050				
<table border="1"> <tr> <td>Transition scenarios</td> <td>IEA SDS</td> </tr> </table>	Transition scenarios	IEA SDS	Company-wide	<Not Applicable>	<p>In 2021 Iberdrola updated its analysis of transition scenarios stemming from climate change using same methodology as in 2020. This analysis is based on the group's strategy (Outlook 20-25), and on most recent versions of selected bench line transition scenarios.</p> <p>The scenarios selected are based on plausible forecasts prepared by the IEA (WEO-21). The Iberdrola's Outlook 20-25 is based on a central scenario (Sustainable Development Scenario) and another 2 scenarios (Stated Policies Scenario (STEPS) and Net Zero 2050 (NZE2050) are considered on which the potential risks and opportunities have been assessed.</p> <p>For 25-30 period: it has been applied a methodology that considers the impacts and opportunities as a result of the change in macroeconomic or sectoral parameters considered most significant for the group's businesses in each country.</p> <p>Key parameters considered obtained from EIA public information are: • Final electricity demand (TWh), • Weight of electricity in final energy consumption (%), • Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Installed gas capacity (GW), • Intensity of CO2 emissions in the electricity sector (MtCO2) and • carbon price (€/tCO2).</p> <p>The analysis included all Iberdrola's businesses: Renewables, Generation, Networks, Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil & IEI.</p> <p>Key operational parameters per business to analyse its potential impact against climate scenarios are: Total production (GWh), Renewable capacity (GW), Thermal capacity (GW), Customers (GWh), Investment in networks (M€).</p> <p>Variations in operational parameters are translated into qualitative impacts (positive & negative), and translated into financial figures (EBITDA), to provide (qualitative & quantitative) impact.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> - Strategic planning based on SDS scenario - Financial planning based on Paris agreement. <p>-The Net-Zero scenario evaluated assuming organic growth and a stable balance sheet structure.</p> <p>-2030-2050 period: The qualitative exercise of extrapolating the analysis of transition risks and the group's business model was applied, based on available long-term projections.</p> <p>-2020-2025 period: Cited scenarios are evaluated for short term impacts, according to an assessment of the sensitivity of the assumptions of the Outlook 20-25 and forecasts of the different businesses and key countries. Variations are expected not to be material, per those assumed for the Outlook 20-25.</p>
Transition scenarios	IEA SDS				
<table border="1"> <tr> <td>Transition scenarios</td> <td>IEA STEPS (previously IEA NPS)</td> </tr> </table>	Transition scenarios	IEA STEPS (previously IEA NPS)	Company-wide	<Not Applicable>	<p>In 2021 Iberdrola updated its analysis of transition scenarios stemming from climate change using same methodology as in 2020. This analysis is based on the group's strategy (Outlook 20-25), and on most recent versions of selected bench line transition scenarios.</p> <p>The scenarios selected are based on plausible forecasts prepared by the IEA (WEO-21). The Iberdrola's Outlook 20-25 is based on a central scenario (Sustainable Development Scenario) and another 2 scenarios (Stated Policies Scenario (STEPS) and Net Zero 2050 (NZE2050) are considered on which the potential risks and opportunities have been assessed.</p> <p>For 25-30 period: it has been applied a methodology that considers the impacts and opportunities as a result of the change in macroeconomic or sectoral parameters considered most significant for the group's businesses in each country.</p> <p>Key parameters considered obtained from EIA public information are: • Final electricity demand (TWh), • Weight of electricity in final energy consumption (%), • Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Installed gas capacity (GW), • Intensity of CO2 emissions in the electricity sector (MtCO2) and • carbon price (€/tCO2).</p> <p>The analysis included all Iberdrola's businesses: Renewables, Generation, Networks, Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil & IEI.</p> <p>Key operational parameters per business to analyse its potential impact against climate scenarios are: Total production (GWh), Renewable capacity (GW), Thermal capacity (GW), Customers (GWh), Investment in networks (M€).</p> <p>Variations in operational parameters are translated into qualitative impacts (positive & negative), and translated into financial figures (EBITDA), to provide (qualitative & quantitative) impact.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> - Strategic planning based on SDS scenario - Financial planning based on Paris agreement. <p>-The Net-Zero scenario evaluated assuming organic growth and a stable balance sheet structure.</p> <p>-2030-2050 period: The qualitative exercise of extrapolating the analysis of transition risks and the group's business model was applied, based on available long-term projections.</p> <p>-2020-2025 period: Cited scenarios are evaluated for short term impacts, according to an assessment of the sensitivity of the assumptions of the Outlook 20-25 and forecasts of the different businesses and key countries. Variations are expected not to be material, per those assumed for the Outlook 20-25.</p>
Transition scenarios	IEA STEPS (previously IEA NPS)				

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios	RCP 4.5 Company-wide	<Not Applicable>	<p>Iberdrola performs physical climate scenario analysis based on:</p> <ul style="list-style-type: none"> - RCP 4.5 scenario: as the stabilization scenario. - RCP 8.5 as a base scenario to diagnose in such case more unfavourable physical risks that could be faced by the company. <p>The selection of the RCP 4.5 and RCP 8.5 scenarios reflects a conservative approach with regard to physical risk analysis.</p> <p>Iberdrola has analysed the principal climate threats to which the electricity sector might be exposed under these two scenarios in the medium and long term.</p> <ul style="list-style-type: none"> - Chronic: Average temperature variations/ Average precipitation variation / Sea-level rise - Acute: Heat waves/fires / Cold snaps / Extreme precipitation /Flooding and/or landslides) / Storms and high winds <p>Short term impact has been consider no material as per physical climate variations or extreme events expected increase for next 3 years.</p> <p>The analysis evaluated the risks arising from cited climate threats and/or potential increasing frequency for all jurisdictions in which Iberdrola operates and for the different technologies (renewables, networks, liberalized), taking into account the vulnerability and exposure thereof, according to main climate models, reference bibliography and expert criteria.</p> <p>Further specific detailed studies had been performed in those sectors and locations that have been identified as most vulnerable to the impacts of climate change.</p>
Physical climate scenarios	RCP 8.5 Company-wide	<Not Applicable>	<p>Iberdrola performs physical climate scenario analysis based on:</p> <ul style="list-style-type: none"> - RCP 4.5 scenario: as the stabilization scenario. - RCP 8.5 as a base scenario to diagnose in such case more unfavourable physical risks that could be faced by the company. <p>The selection of the RCP 4.5 and RCP 8.5 scenarios reflects a conservative approach with regard to physical risk analysis.</p> <p>Iberdrola has analysed the principal climate threats to which the electricity sector might be exposed under these two scenarios in the medium and long term.</p> <ul style="list-style-type: none"> - Chronic: Average temperature variations/ Average precipitation variation / Sea-level rise - Acute: Heat waves/fires / Cold snaps / Extreme precipitation /Flooding and/or landslides) / Storms and high winds <p>Short term impact has been consider no material as per physical climate variations or extreme events expected increase for next 3 years.</p> <p>The analysis evaluated the risks arising from cited climate threats and/or potential increasing frequency for all jurisdictions in which Iberdrola operates and for the different technologies (renewables, networks, liberalized), taking into account the vulnerability and exposure thereof, according to main climate models, reference bibliography and expert criteria.</p> <p>Further specific detailed studies had been performed in those sectors and locations that have been identified as most vulnerable to the impacts of climate change.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

- Which scenarios are currently used by strategy and financial planning in Iberdrola?
- Which business units/geographical areas are core for Iberdrola and are going to be included in the climate-related scenario analysis?
- What are main macroeconomic-energy related parameters guiding strategy per core business units?
- Are there Climate Scenario Parameters availability limitations?
- What are main operational indicators per core business unit to reflect Climate Scenario Key Parameters variations impact, from baseline assumptions?

Results of the climate-related scenario analysis with respect to the focal questions

- Which scenarios are currently used by strategy and financial planning in Iberdrola?
Iberdrola uses a wide range of scenarios and macroeconomic projections to be up to date and frequently assess financial and operational strategies. Regarding climate scenario, Iberdrola has based its Outlook 2020-2025 (worldwide Group strategy) in the Sustainable Development Scenario, from the IEA.
- Which business units/geographical areas are core for Iberdrola and are going to be included in the climate-related scenario analysis?
The analysis included all Iberdrola's businesses: Renewables, Generation, Networks and Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil & IEI (Iberdrola Energia Internacional)
- What are main macroeconomic-energy related parameters guiding strategy per core business units?
Main global indicators guiding Iberdrola's core business are translated in the following energy related global parameters: • Final electricity demand (TWh), • Weight of electricity in final energy consumption (%), •Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Installed gas capacity (GW), • Intensity of CO2 emissions in the electricity sector (MtCO2) and • carbon price (€/tCO2).
- Are there Climate Scenario Parameters availability limitations?
IEA Scenarios normally feed our expectations about cited global energy related parameters projections and breakdown per geographical areas. When NZ scenario was published some limitations regarding granularity were identified for its first year, but it is on Iberdrola's aim to look beyond status quo and work for achieving mayor goals in the decarbonization path. Hence, NZ projections were assumed as Iberdrola's increasing ambition scenario.
In addition, Iberdrola is actively engaged in improving the access to high-quality and relevant data, having participated in the Climate Scenarios Energy Forum (the Energy Forum), an initiative coordinated by the World Business Council for Sustainable Development (WBCSD) to facilitate scenario analysis through the development of a practical online platform to make public scenarios easier to access, interpret and use".
- What are main operational indicators per core business unit to reflect Climate Scenario Key Parameters variations impact, from baseline assumptions?
Key operational parameters per Iberdrola's business to analyse its potential impact against climate scenarios are: Total production (GWh), Renewable capacity (GW), Thermal capacity (GW), Customers (GWh), Investment in networks (M€).

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>To meet climate targets, electricity consumption would have to multiply almost three times in just 30 years. However, it is difficult for technological reasons to electrify the consumption of some sectors, such as high temperature industrial processes and heavy transport. For them, the production of green hydrogen using renewable energy (electrolysis) is key to achieving climate neutrality by 2050. Green hydrogen becomes a new growth opportunity, identified by Iberdrola, as a strategic vector for the industrial segment and for sectors that are difficult to decarbonize.</p> <p>Iberdrola has launched in 2020 a strong strategy to lead the green Hydrogen production in Europe. It has created a new division within the Wholesale and Retail business, as key strategic new product, of generating Green Hydrogen for industrial use.</p> <p>Up to now, Iberdrola has launched 60 new projects in 8 countries together with dozens of industrial partners, from Spain (where we are finalising the start-up of the largest green hydrogen plant in Europe, located in Puertollano) to the UK, Brazil or USA.</p> <p>Key achievements during 2021:</p> <ul style="list-style-type: none"> - Iberdrola and H2Green Steel have entered into an agreement to build a 1,000 MW-capacity green hydrogen plant (€2,300 million investment) on the Iberian Peninsula in order to decarbonise steel manufacturing". - The first phase of the new Barcelona hydrogen plant has begun commercial operation, making it possible to supply hydrogen to 24 Transports Metropolitanas de Barcelona (TMB) buses (60 city-operated buses by 2030) - Construction of the largest green hydrogen plant for industrial use in Europe has begun. The Puertollano plant (located in Ciudad Real, Spain), which consists of a 100 MW photovoltaic solar plant, a lithium-ion battery system with a storage capacity of 20 MWh, and one of the world's largest (20 MW) systems for the production of hydrogen by electrolysis, will enable the generation of 1,200 tonnes of green hydrogen for inclusion in the ammonia production processes to produce green fertilisers.
Supply chain and/or value chain	Yes	<p>The Purchasing Department at Iberdrola has aimed, for more than 15 years, the improvement of the sustainability of its suppliers, to act as tractor agent for the decarbonization of the economy in the countries where it operates through its supply chain. GHG emissions from suppliers are one of the substantial categories for Iberdrola's Scope 3 emissions, and so, it is addressed with the global suppliers engagement strategy.</p> <p>To do so, it was included a corporate sustainability objective for Suppliers strategy, organised around 3 key sustainability pillars: ESG (Environmental, Social and Governance)</p> <p>The objective has 2 parameters linked for the long-term incentive, and will be evaluated for the consecution of the 2020-2022 Strategic Bonus. It was approved by the shareholders at the General Shareholders' Meeting 2020 (item 16 on the Agenda). The 2 parameters are:</p> <ul style="list-style-type: none"> ii. Increase the nº of suppliers subject to sustainable development policies and standards, such as having: (i) a human rights strategy, (ii) a code of conduct for their suppliers, (iii) health and safety standards (SDG 3), and (iv) a global environmental sustainability strategy, including strategies regarding water (SDG 6), energy (SDG 7) and biodiversity (SDGs 14 and 15). iii. An ambitious objective is set for at least 70% of the company's main suppliers (those billing Iberdrola with a volume of more than 1M€) being subject to these policies by 2022. It will also be deemed that this parameter is not met if the number is equal to that at year-end 2019, i.e. 50%, by year-end 2022. <p>During 2021, the Purchasing Division has improved its supplier sustainability evaluation model for example to increase related GHG figures from suppliers and engage with them on this regard. The model is conformed to the international reality of the Iberdrola group.</p> <p>The evaluation of a supplier includes the supplier's performance in highly significant attributes: identification of objectives linked to the SDGs, GHG emissions, management of climate change risk, circular economy strategy, human rights due diligence, etc. The model is agreed upon with internal stakeholders: Social Responsibility, Compliance, Sustainability and Environment Divisions, as well as having been confirmed with Forética, a specialist external entity with expertise in the area. Note: In 2021, Iberdrola placed orders with more than 20,000 suppliers.</p>
Investment in R&D	Yes	<p>Today Iberdrola is the utility company of the future thanks to its ongoing commitment to innovation, as shown by the fact that it has been recognised for the first time as the private utility company that invests the most in R&D worldwide, according to the European Commission's ranking.</p> <p>Iberdrola invested a total of 337.5 million euros in R&D&i in 2021, a 15% increase over 2020. The R&D&i efforts within the Iberdrola group are organised around five main pillars, which in turn are aligned with the fundamental vectors of transformation of the energy industry, decarbonisation and the electrification of the economy.</p> <p>One of the key pillar is related to searching for new solutions and promoting start-ups and suppliers, intended to develop partnerships and new, disruptive business models, encourage the exchange of knowledge, and act as a driving force among its partners focusing in accelerating global decarbonization.</p> <p>Iberdrola Ventures - PERSEO is the start-up programme created by Iberdrola in 2008 with €125 million in funding in order to encourage the development of a dynamic ecosystem of start-ups and entrepreneurship in the energy sector. The programme focuses on new technologies and business models that allow for improvements to the sustainability of the energy model through greater electrification and decarbonisation of the economy. Since its creation, the programme has channelled investments of more than €85 million in start-ups in the energy sector worldwide. Its base of 34 million consumers and nearly 55 GW of installed capacity have allowed Iberdrola to provide the start-ups with a sizable "real-life laboratory" that is aiding the technological and commercial development of the companies. Major achievements in 2021 include, among others:</p> <ul style="list-style-type: none"> • Pilot projects: In 2021, more than 25 pilot projects were carried out with start-ups in technological areas such as IoT, robotics and batteries, and in network construction and maintenance, hybridisation of land use (agrivoltaics), electric mobility, and energy efficiency. • "Venture Builder": investing in circular economy (recycling of PV modules, wind-turbine blades and batteries) and in sectors resistant to decarbonisation, (industrial heat production and heavy transport). This initiative prompted the Net-Zero MAR Partnership, which focuses on the decarbonisation of the maritime sector.
Operations	Yes	<p>During 2020 it has been decided to focus efforts in Pumping strategy: greater investment to ensure and guarantee supply for hydro resources, dependant on climate change physical risk.</p> <p>The short-term reliability of the electricity supply term is analysed by the System Operator (a role played by Red Eléctrica de España, S.A.), which periodically carries out studies of different operating scenarios to check the robustness of the system. Iberdrola makes a significant contribution to increasing reliability in system operation by providing great flexibility pumping capacity.</p> <p>Hydroelectric pumping technology is the most efficient system that allows to store energy in a large-scale today. It is more cost-effective and provides the electrical system with stability, safety and sustainability, whilst generating large amounts of energy with fast response times without resulting in any type of emission into the atmosphere. It also helps with the decarbonisation of the electricity system. Pumped hydroelectric plants thereby bring efficient energy storage, offer a long-term solution and facilitate the integration of renewable energies into the system and bring high returns.</p> <p>Iberdrola is leader in energy storage with a capacity of 4,500 MW installed using pump technology. But the global decarbonization framework for storage needs and the targets for improving the group's hydraulic power efficiency has been translated in a strong commitment to increase pumped storage solutions for the period 20-25.</p> <p>During 2021 key storage related achievements are, among others:</p> <ul style="list-style-type: none"> -Commissioning of Arañuelo III, the first photovoltaic project in Spain to implement a storage battery. - The second phase of the Caravaca BESS project, which launched the FLEXIPOWER project to achieve the integration of various battery-based energy storage systems. - In Portugal, continue to spearhead the development of energy storage following the completion of the Gouvães and Daivões plants, belonging to the Tâmega large complex, in Portugal with a storage capacity of 20 million KWh, In UK, the installation of a super battery at the Whitelee windfarm.

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Acquisitions and divestments Access to capital Assets	<p>Divestments</p> <p>To achieve the objectives of the Paris Agreement and as its global commitment for leading the decarbonization of the economy, Iberdrola has been first mover in the phase out strategy for closing coal assets. Last noteworthy milestones are the demolition of the smokestacks at our coal-fired thermal power plants in Velilla, Spain, and Longannet, United Kingdom. This has cemented our position as the largest non-coal-production electricity company in the world, and places our CO2 emissions at 60 grams per kWh in Europe, almost one-fourth lower than our peers.</p> <p>During 2021, within the framework of COP26 and the main international climate milestones, Iberdrola has joined important declarations, alliances and campaigns, including • Global Coal to Clean Power Transition Statement, promoted by the Powering Past Coal Alliance (PPCA) and the COP26 Presidency, to accelerate the transition to generation based on clean non-coal sources.</p> <p>Access to capital</p> <p>For the last two decades, and in anticipation of the energy transition, Iberdrola has been developing sustainable solutions to support the increasing electrification of the global economy: more clean energy, more storage capacity, more backup power, more and smarter grids, and more digitalisation. Iberdrola is committed to an energy model that prioritizes the well-being of people and the preservation of the planet. In this sense, Investments in low-emission and sustainable development must increase. In this context, green bonds play an increasingly important role. The market has shown exponential growth in this matter.</p> <p>In the capital markets, for yet another year 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, 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 other subsidiaries (AVANGRID green bonds and Neoenergia green debentures and all other companies under these sub-groups). At year-end 2021, Iberdrola has a total of 15 current green bonds issued by the Corporation in the total amount of €1,994 million.</p> <p>Iberdrola, through its subsidiary AVANGRID and several of its subsidiaries, has green bonds outstanding in the US market in the combined amount of 2,725 million dollars aimed at financing renewable and distribution projects in the United States.</p> <p>- In September 2021 AVANGRID signed the first green financing deal for an offshore wind project in the United States, the 800 MW Vineyard Wind I offshore wind farm. The financing has been structured through a US\$2,344 million project finance arrangement.</p> <p>- Neoenergia and its subsidiaries also have green transactions outstanding on the capital markets, totalling R\$3,560 million, earmarked for financing renewable and transmission or distribution projects in Brazil.</p> <p>It must be noted that our strategy aims to provide visibility to an increased portion of the investment community who pays attention not only to short-term returns (dividends), but also sustainable growth (ESG approach), under the principle of "social dividend".</p> <p>Revenues Direct costs Indirect costs Capital expenditures Acquisitions Assets</p> <p>One of the main pillars for Iberdrola's Strategy for 2020-2025, launched in 2020 is the development of renewable capacity with offshore wind farms, to achieve its commitments to the global decarbonization of the economy through the provision of clean and reliable renewable energy.</p> <p>Iberdrola is planning to multiply its offshore wind capacity by 6 from 2020 to 2025 with expected investments of €10,9 billion for that period. Also, it is expected Offshore wind contribution to global EBITDA will be 25% in 2025 (about €2 billion).</p> <p>Nowadays, Iberdrola has 2,600 Offshore MW under construction through projects such as Vineyard Wind 1 (800 MW), Park City Wind (804 MW) and Commonwealth Wind (1,232 MW) in the United States. Meanwhile, Kitty Hawk Offshore Wind (800 MW) advanced through the study process on their way to becoming fully licensed; East Anglia 1 (714 MW). in the United Kingdom; Saint Brieuc (496 MW) in France; Baltic Eagle (476 MW) in Germany; and we have a portfolio of 33,400 MW both in our traditional markets and in new markets, including Sweden, Ireland, Taiwan and Japan.</p> <p>Iberdrola is also participating in the auction of 1 GW of offshore wind with fixed foundations off the coast of Normandy, which is already in the competitive dialogue phase, and has recently been prequalified for the auction of 250 MW of floating offshore wind in Brittany.</p> <p>Net electricity production from Offshore wind reached 4,617 GWh in 2021 and increase of 5,4% from 2020 figure.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

Revenue

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

50.2

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

The share of Iberdrola's financial figures that are aligned with our organization's transition to a 1.5°C world have been assimilated to the concept of activities aligned with EU Taxonomy, as the most ambition mechanism focused on this regard.

As per regulatory framework requirements, Iberdrola's eligible activities are:

- Hydrogen production
- Electricity generation from photovoltaic solar technology
- Electricity generation using wind energy
- Electricity generation using hydropower

- Transmission and distribution of electricity
- Electricity storage
- Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulating and controlling the energy efficiency of buildings, and renewable energy (smart products).

For the reporting year figures:

Public figure in our Sustainability report includes eligible % per financial figure. Alignment is currently under assessment. For CDP purposes, it has been assumed as aligned a % range, from all eligible as maximum % to a reduced % per financial figure estimation, pending to be confirmed during 2022. Those ranges are:

- Revenues: 50,2 - 43,4 %
- CAPEX: 86 – 76 %
- OPEX: 64,2 – 51,2 %

Eligible turnover proportion:

The proportion of eligible Turnover referred to in Article 8(2a) of Regulation (EU) 2020/852 is calculated as the share of net turnover resulting from products or services, including intangibles, associated with economic activities that are eligible according to the taxonomy (numerator), divided by the net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Turnover includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

Therefore, for the calculation of the eligibility percentages corresponding to the consolidated Iberdrola group:

- the numerator includes the sum of the Turnover (group 70 ledger accounts of the Spanish General Accounting Plan) of the activities of the companies/subgroups that are eligible and,
- the denominator corresponds to the Iberdrola group's total amount of turnover.

In this turnover ratio, the company includes all the income associated with the main activity, considering that it contributes to the turnover.

For more details, please see Iberdrola's Sustainability Report.

Financial Metric

CAPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

86

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

90

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

99

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

The share of Iberdrola's financial figures that are aligned with our organization's transition to a 1.5°C world have been assimilated to the concept of activities aligned with EU Taxonomy, as the most ambition mechanism focused on this regard.

As per regulatory framework requirements, Iberdrola's eligible activities are:

- Hydrogen production
- Electricity generation from photovoltaic solar technology
- Electricity generation using wind energy
- Electricity generation using hydropower
- Transmission and distribution of electricity
- Electricity storage
- Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulating and controlling the energy efficiency of buildings, and renewable energy (smart products).

For the reporting year figures:

Public figure in our Sustainability report includes eligible % per financial figure. Alignment is currently under assessment. For CDP purposes, it has been assumed as aligned a % range, from all eligible as maximum % to a reduced % per financial figure estimation, pending to be confirmed during 2022. Those ranges are:

- Revenues: 50,2 - 43,4 %
- CAPEX: 86 – 76 %
- OPEX: 64,2 – 51,2 %

Eligible CapEx ratio (Article 8(2b) of Regulation (EU) 2020/852):

The denominator being the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator also includes additions to tangible and intangible assets resulting from business combinations. For non-financial companies applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No 1126/2008. Leases that do not give rise to the recognition of a right to use the asset are not accounted for as CapEx.

The numerator, on the other hand, includes the part of the fixed asset investments included in the denominator that:

- relates to assets or processes that are associated with eligible economic activities;
- forms part of a plan to expand the economic activities aligned with the taxonomy or to enable economic activities eligible under the taxonomy to be brought into line with the taxonomy in the future ("CapEx plan")
- relates to the purchase of production from economic activities aligned with the taxonomy and individual measures that enable the targeted activities to become low carbon or achieve greenhouse gas reductions, in particular the activities listed in points 7.3 to 7.6 of Annex I of the Annexes to the Delegated Act, as well as other economic activities listed in the Delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852 and provided that those measures are implemented and operational within 18 months.

Therefore:

- the numerator includes only the CapEx aggregation of the activities of the companies/ subgroups considered eligible and,
- the denominator corresponds to the Iberdrola group's total CapEx, which includes investments (on an accrual basis with current or future disbursement) in intangible assets, investments in property, plant and equipment, investments in rights-of-use assets, and investments. CapEx includes the work carried out by the company for its fixed assets and capitalised financial expenses.

For the purpose of reporting the CapEx and OpEx ratio, purchases of assets necessary to carry out a particular eligible activity have been included.

For the planned financial figures:

Eligible-aligned activities are the same cited above and expected capex for the next decade have been taken from Iberdrola's Outlook 2020-2025 and expectations for 2030.

Expected Capex aligned: 90% per 2025

Expected Capex aligned: 99% per 2030.

For more details, please see Iberdrola's Sustainability Report.

Financial Metric

OPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

64.2

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)**Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)****Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

The share of Iberdrola's financial figures that are aligned with our organization's transition to a 1.5°C world have been assimilated to the concept of activities aligned with EU Taxonomy, as the most ambition mechanism focused on this regard.

As per regulatory framework requirements, Iberdrola's eligible activities are:

- Hydrogen production
- Electricity generation from photovoltaic solar technology
- Electricity generation using wind energy
- Electricity generation using hydropower
- Transmission and distribution of electricity
- Electricity storage
- Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulating and controlling the energy efficiency of buildings, and renewable energy (smart products).

For the reporting year figures:

Public figure in our Sustainability report includes eligible % per financial figure. Alignment is currently under assessment. For CDP purposes, it has been assumed as aligned a % range, from all eligible as maximum % to a reduced % per financial figure estimation, pending to be confirmed during 2022. Those ranges are:

- Revenues: 50,2 - 43,4 %
- CAPEX: 86 - 76 %
- OPEX: 64,2 - 51,2 %

Eligible OpEx ratio (Article 8(2)(b) of Regulation (EU) 2020/852): all the costs defined in the Net Operating Expenses section of the income statement have been considered. Income from the results of non-current assets, income from disposed facilities and deferred income associated with property, plant and equipment are excluded from the Net Operating Expense. In addition, the company includes in the operating expenses figure all the direct personnel expenses associated with this activity, as it considers these expenses to be necessary for the development of its activities. For the purpose of reporting the OpEx ratio, the processes and services necessary to carry out a particular eligible activity have also been included. Also excluded are the costs for the provision of services from the corporations to the businesses, and

- the denominator includes the expenditure of the aforementioned items for the entire Iberdrola group
- the numerator will be formed by the same items, but only from the activities of the eligible companies/subgroups

For more details, please see Iberdrola's Sustainability Report.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**Target reference number**

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 3

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 11: Use of sold products

Base year

2017

Base year Scope 1 emissions covered by target (metric tons CO₂e)

26846490

Base year Scope 2 emissions covered by target (metric tons CO2e)

3415197

Base year Scope 3 emissions covered by target (metric tons CO2e)

47900546

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

78162233

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

43

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

44552472.81

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

13253352

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

2061476

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

42275665

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

57590493

% of target achieved relative to base year [auto-calculated]

61.2076369593401

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

Iberdrola is committed to reduce absolute Scope 1, 2 and 3 GHG emissions 43% by 2030 from a 2017 base-year. Validated by Science Based Targets initiative (SBTi). The target was set in 2019 and revised in 2020.

Plan for achieving target, and progress made to the end of the reporting year

The IBERDROLA Group is firmly committed to leading the transition towards a zero-emission future, having set itself the goal of becoming a carbon neutral company in Europe by 2030 and of doing so worldwide by 2050. The IBERDROLA Group envisions total investment of EUR 75 billion over the 2020-2025 horizon, which will double to EUR 150 billion by 2030, by which time renewable and storage capacity will have tripled and network assets doubled. In tandem, the IBERDROLA Group will continue to innovate to drive the deployment and implementation of decarbonisation solutions, such as green hydrogen, smart products and heat pumps.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per megawatt hour (MWh)

Base year

2015

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.185

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.185

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

73

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.04995

% change anticipated in absolute Scope 1+2 emissions

29

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.096

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.096

% of target achieved relative to base year [auto-calculated]

65.9015179563125

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

iberdrola has set an ambitious new environmental objective of reducing the intensity of its CO2 emissions to below 50 grams per kWh in 2030, a level 73% less than its emissions in 2015.

Plan for achieving target, and progress made to the end of the reporting year

The IBERDROLA Group is firmly committed to leading the transition towards a zero-emission future, having set itself the goal of becoming a carbon neutral company in Europe by 2030 and of doing so worldwide by 2050. The IBERDROLA Group envisions total investment of EUR 75 billion over the 2020-2025 horizon, which will double to EUR 150 billion by 2030, by which time renewable and storage capacity will have tripled and network assets doubled. In tandem, the IBERDROLA Group will continue to innovate to drive the deployment and implementation of decarbonisation solutions, such as green hydrogen, smart products and heat pumps.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Int 2

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO₂e per megawatt hour (MWh)

Base year

2015

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.185

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3 (metric tons CO₂e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.185

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2022

Targeted reduction from base year (%)

46

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.0999

% change anticipated in absolute Scope 1+2 emissions

35

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.096

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3 (metric tons CO₂e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.096

% of target achieved relative to base year [auto-calculated]

104.582843713278

Target status in reporting year

Achieved

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

Iberdrola has set an ambitious new environmental objective of reducing the intensity of its CO₂ below 100gCO₂/kWh in 2022.

Plan for achieving target, and progress made to the end of the reporting year

<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target

The IBERDROLA Group is firmly committed to leading the transition towards a zero-emission future, having set itself the goal of becoming a carbon neutral company in Europe by 2030 and of doing so worldwide by 2050. The IBERDROLA Group envisions total investment of EUR 75 billion over the 2020-2025 horizon, which will double to EUR 150 billion by 2030, by which time renewable and storage capacity will have tripled and network assets doubled. In tandem, the IBERDROLA Group will continue to innovate to drive the deployment and implementation of decarbonisation solutions, such as green hydrogen, smart products and heat pumps.

Target reference number

Int 3

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per megawatt hour (MWh)

Base year

2015

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.185

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.185

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

62

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.0703

% change anticipated in absolute Scope 1+2 emissions

37

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.096

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.096

% of target achieved relative to base year [auto-calculated]

77.5937227550131

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

Iberdrola has set an ambitious new environmental objective of reducing the intensity of its CO2 below 70gCO2/kWh in 2025.

Plan for achieving target, and progress made to the end of the reporting year

The IBERDROLA Group is firmly committed to leading the transition towards a zero-emission future, having set itself the goal of becoming a carbon neutral company in Europe by 2030 and of doing so worldwide by 2050. The IBERDROLA Group envisions total investment of EUR 75 billion over the 2020-2025 horizon, which will double to EUR 150 billion by 2030, by which time renewable and storage capacity will have tripled and network assets doubled. In tandem, the IBERDROLA Group will continue to innovate to drive the deployment and implementation of decarbonisation solutions, such as green hydrogen, smart products and heat pumps.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2049

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Please explain target coverage and identify any exclusions

Iberdrola commits to be net zero in Scopes 1, 2 and 3 before 2050.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Iberdrola is working and studying the best initiatives and possibilities of neutralization that will be implemented over the next few years. We currently have the Trees Programme: The group promoted the plantation of two million trees in seven countries in 2020 and 2021 as part of its Trees programme. The company is committed to planting 20 million trees during the next decade — with the primary objective of reaching 2.5 million by 2022 and 8 million by 2025 — to capture approximately 6 million tonnes of CO2 within 30 years.

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	0
To be implemented*	3	1000
Implementation commenced*	4	18000000
Implemented*	7	11464567
Not to be implemented	1	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Other, please specify (Wind offshore and onshore, Hydro and Solar PV)
------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

1455718

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

611244714

Investment required (unit currency – as specified in C0.4)

4278713000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

New renewable installed capacity in 2021: +905 Onshore wind, + 985 MW Hydro, + 1,343 MW solar and others.

Initiative category & Initiative type

Transportation	Other, please specify (Videoconferences)
----------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

20000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 6: Business travel

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1000000

Investment required (unit currency – as specified in C0.4)

50000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Videoconferences promotion is included in Iberdrola's Sustainable Mobility Plan to avoid business travels and emissions.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

53864

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

4500000

Investment required (unit currency – as specified in C0.4)

300000000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Savings from distribution network efficiency (Spain, United Kingdom and Brazil)

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Green products and services)
---	---

Estimated annual CO2e savings (metric tonnes CO2e)

9907854

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 11: Use of sold products

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1000000

Investment required (unit currency – as specified in C0.4)

100000000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Photovoltaic solar energy instaled for three parties, Energy audits and plans, Gas maintenance service, Other savings and efficiency activities, Green energy supplied. For customers: • Loyalty-building and development of new digital products and smart solutions adapted to the needs of customers, which promotes efficiency and the consumption of renewable energy. • Retail development in Mexico concurrently with the energy reform. • Sustained growth of retail activities of electricity, gas and Smart Solutions in the rest of Europe.

Initiative category & Initiative type

Transportation	Other, please specify (Electronic Billing)
----------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

300

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 1: Purchased goods & services

Scope 3 category 6: Business travel

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1800

Investment required (unit currency – as specified in C0.4)

150000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

ELECTRONIC BILLING. Promotion of electronic billing as an ecological alternative to the use of paper, through awareness-raising campaigns, mailings, promotions, APP for customers, etc. Electronic billing promotion is included in the Iberdrola's Sustainable Mobility Plan to avoid travel courier and emissions.

Initiative category & Initiative type

Transportation	Employee commuting
----------------	--------------------

Estimated annual CO2e savings (metric tonnes CO2e)

458

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 7: Employee commuting

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

450000

Investment required (unit currency – as specified in C0.4)

450000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

These initiatives include Iberdrola's launch of a new edition of the Electric Vehicle for Employees programme in Spain and the United Kingdom, which consists of special advances and financial assistance for the purchase of electric vehicles.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (100% renewable energy consumption in buildings)
-------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

26373

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

100000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

100% renewable energy consumption in buildings.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	SDG 7.3 is a sustainability development goal for the Group (2015-2030) from 4 points of view: 1) As an electric utility, by incorporating clean, advanced and efficient production and distribution technologies. 2) As a vendor, by informing and educating customers and providing them with solutions that help enhance their energy efficiency and reduce the environmental impact of their energy habits and consumption. 3) As an energy consumer, by ensuring continuous improvement in energy efficiency at its work centres, buildings and vehicles, developing mobility plans and raising awareness among employees. 4) As a purchaser, by including environmental and social commitment clauses in supplier contracts and by preparing awareness and carbon footprint measurement campaigns within the supply chain.
Dedicated budget for low-carbon product R&D	1) Renewable Energy: Developing R&D projects to improve efficiency of existing technologies and to develop new generation technologies. Offshore wind projects: Sedar, Innpacto Openfoam and FP7 Eera Dtoc. Energy resource field: Low-Impact gravity foundations, Leanwind offshore technology, and various lines within OWA programme, promoted by the Carbon Trust in UK. In Scotland: study into fatigue in offshore pilings for chalky soils (TLPWind project). The European Best Path project has been launched, with a view to demonstrating new technologies that enable the incorporation of renewable energy sources into networks. SmartWind project is working on storage and simulations relating to wind farms. 2) Clean Generation Technologies: Focused operational flexibility and efficiency, respect for the environmental, and improved safety at facilities. Iberdrola is firmly committed to reducing the environmental impact of its generating facilities. Underway projects: Filtraciones, Migres and Resonuc. 3) Smart Grids: Various projects that seek to implement a modern electric grid based on remote management. In Europe: Grid4eu and iGreenGrid projects, Discern projects, Advanced and UpGrid project and Price. UK: ARC and Flexnet projects: strengthen smart grids in Scotland. In Brazil: Vants and Robô to inspect distribution grids. Also noteworthy is the Elektrobus project, prototype of a vehicle with an electrical propulsion system using ultra-condensers. In USA: Integrated Aerial Damage Assessment System project, to develop an aerial system to assess damages to the electrical grid after heavy storms. Iberdrola has an R&D technology centre in Qatar. 4) Iberdrola has launched its Sustainable Mobility Plan with more than 20 measures to reduce CO2 emissions, focused on employees, business, customers and suppliers, promoting the use of electric vehicles.
Dedicated budget for other emissions reduction activities	In this context, investments are being made: 1) To strengthen transmission and distribution networks reducing losses. 2) To develop smart grids. 3) To promote green mobility with electric vehicles and Smart Mobility (promotion of electric Charging points) . 4) To promote e-billing for customers. 5) Committed to SDG (Sustainable Development Goals). 6) Collaboration with campaigns of the Energy Diversification and Savings Institute (Instituto para la diversificación y el ahorro energético) (IDAE). 7) Conducting information campaigns and commercial activities. 8) Providing information on the website and in invoices. 9) Sponsorship of fairs and participation in events such as World Environment Day and the European Mobility Week. 10) Participation in forums, seminars and industry task forces. 11) Cooperation agreements and training sessions with the main consumer and business associations and public institutions. 12) Customer engagement: promoting electric vehicles. 13) Positioning as a global leader in the offshore area, where it develops more advanced and innovative projects. Note the Offshore Wind Accelerator (OWA) initiative, a special programme promoted by the Carbon Trust (United Kingdom), in which specialist companies and engineering firms join forces, pooling their knowledge to find solutions that enable a reduction in the costs and risks of offshore technology, thus facilitating and speeding up their development in UK waters.
Partnering with governments on technology development	Among Others: 1) Green eMotion, a four-year cross-European initiative to promote electromobility. 2) Iberdrola's Sustainable Mobility Plan with more than 20 measures to reduce CO2 emissions, focused on employees, business, customers and suppliers, promoting the use of electric vehicles. 3) Other projects financed by national programs are being developed, such as Mugielec, in the Basque Country, Surtidor, with funds from the Ministry of Industry, and ICT4. 4) Agreements and alliances with companies such as Opel, Mitsubishi, and Peugeot to facilitate access to and the use of electric vehicles by citizens and businesses and develops projects with government authorities in the autonomous communities of Castile and Leon, Valencia, the Basque Country, Murcia, Andalusia, Catalonia and Extremadura. The Company also participates in electromobility projects in Scotland and the United States of America. 5) Agreement with Volvo to boost electrification of public transport in urban areas 6) Agreements to launch a corporate electric car-sharing service 7) Installation of recharge points in collaboration with government authorities in the autonomous communities. 8) First public services of e-carsharing. 9) Electric bus service, by the substitution of lines of conventional buses. 10) Electric fleet and electric recharge points for different governments. 11) Smart Mobility - charging Points.
Employee engagement	First Spanish company to launch a shared electric car service among its employees to handle commercial activities in Madrid, Bilbao, Seville, Valencia, Valladolid and Barcelona. Installation of 150,000 charging points for electric vehicles until 2025. Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030. Awareness campaign among all employees on emissions produced on commuting. Iberdrola launched the Electric Vehicle for Employees within the Sustainable Mobility Plan of Iberdrola providing support to employees for the purchase of electric vehicles.
Compliance with regulatory requirements/standards	1) In UK, work continues on the Carbon Emissions Reduction Target project, within the context of the UK government's carbon emissions reduction program, pursuant to which actions have been taken to improve insulation in homes and buildings and to distribute low-consumption lighting. 2) In Brazil, Elektro is developing various projects within the Energy Efficiency Programme (PEE), alongside the National Electrical Energy Agency: major energy efficiency programmes for public buildings, such as municipal governments, schools, assistance centres, etc.
Internal finance mechanisms	Iberdrola's Smart Mobility Plan: first comprehensive Spanish solution to facilitate real access by citizens to electromobility. The Company continues to develop and expand this solution, which allows customers to buy electric vehicles (cars, motorcycles and bicycles) from among a broad range of brands, financing, the supply of 100% renewable energy, and the systems and services needed for recharging, conforming to each situation, requirement and type of customer. As an example: Smart Mobility, a comprehensive solution that includes the acquisition of a charging point, installation and warranty, operation by means of an app, and a personalised supply contract. The promotion of electric mobility through the Smart Mobility plan pursuant to which Iberdrola will install 150,000 charging points for electric vehicles until 2025. Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Power	Other, please specify (Wind and solar power)
-------	--

Description of product(s) or service(s)

Initiatives to reduce emissions are undertaken through a broad range of products and services promoting energy efficiency and savings.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (GRI 305-5)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Not applicable

Functional unit used

Electrical energy consumption accounted for according to the recommendations of the GHG Protocol, according to: Calculate using the country's average emissions mix, by total energy produced by renewable energy.

Reference product/service or baseline scenario used

Renewable energy produced (last average emissions mix public available in different countries)

Life cycle stage(s) covered for the reference product/service or baseline scenario

Other, please specify (Produced Renewable energy)

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

17172348

Explain your calculation of avoided emissions, including any assumptions

Calculate using the country's average emissions mix, by total energy produced by renewable energy.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

15.5

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Iberdrola is a program partner of Natural Gas STAR Program (Methane Challenge Program Partner) through its subsidiary in USA (Avangrid) from 2016. As a founding partner in the federal EPA's "Natural Gas STAR Methane Challenge," AVANGRID continues its voluntary efforts to identify sources of natural gas or greenhouse gas emissions and reduce those emissions beyond regulatory requirements. The challenge will result in a cleaner environment and a more efficient natural gas distribution system.

Iberdrola reduced methane emissions in USA: Methane is another greenhouse gas contributing to Scope 1 emissions, as it escapes into the environment from the pipes across our natural gas operations. To significantly reduce these emissions, we are replacing nearly 100 miles of old pipe with new metal and plastic pipe annually, which will help reduce methane emissions by 50% by 2035 compared with 2015. We're also exploring ways to reduce greenhouse gas emissions associated with natural gas by introducing renewable natural gas (RNG) into our Networks operations.

The efforts in the generation area focused on flexibility and operating efficiency (including reduction of methane), respect for the environment and the improvement of facility safety.

In Grid Engineering area: TABÓN project: project to develop a technology for verifying, inspecting and predicting power lines by measuring the earthing resistance to increase the efficiency in managing these assets.

Flexibility and Efficiency Measures in cogeneration plants: A project was launched to improve the design of the degasser at the EW Aranda cogeneration plant, ultimately with the objective of optimising its performance at low flow levels of steam and, in doing so securing an estimated savings of 0.3t/h in terms of steam. The EW Cartagena cogeneration plant is hosting a project to replace the third stage of guide vanes in the Gas Turbine (GT), through the new model with an optimised profile to improve the GT Heat Ratio by 0.8%.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

13002609

Comment

Direct GHG emissions from GHG sources owned or controlled by the company.

• Stationary combustion emissions:

- CO2 emissions, from electric power generation facilities (by combustion of any type of fuels).
- Methane (CH4) and nitrous oxide (N2O) emissions associated with the combustion of any type of fuel.

- CO2 emissions from the combustion of fuels in buildings or facilities, from heating equipment or generators.

- CO2 emissions from the combustion of fuels in gas storage facilities.

• Direct fugitive emissions in anthropogenic systems:

- Of methane (CH4) (natural gas storage and transport).

- Of sulphur hexafluoride (SF6) (distribution networks, generation substations, etc.).

- From refrigerant gases (CFCs) from air-conditioning equipment.

• Emissions from mobile combustion, associated with fuel consumption in transport equipment such as motor vehicles, vessels, etc., (we take into account fleet vehicles and vessels to transport personnel in this section).

• Emissions from land use: associated with the change in land use, calculated by the volume of vegetation generated.

Scope 2 (location-based)

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

1890400

Comment

- Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.
- Emissions associated with electricity consumption in the group's buildings.
- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

Scope 2 (market-based)

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

1760899

Comment

- Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.
- Emissions associated with electricity consumption in the group's buildings.
- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

5483189

Comment

Estimated emissions data on the emission factor per euro invoiced obtained through supplier survey.

Scope 3 category 2: Capital goods

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

28246264

Comment

Upstream life cycle generation fuel emissions+Emissions from electricity purchased form third parties+Indirect GHG Emissions Generation facilities for third parties.

Scope 3 category 4: Upstream transportation and distribution

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

7940

Comment

Emissions from employee work trips

Scope 3 category 7: Employee commuting

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

27910

Comment

Commuting emissions

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

18190409

Comment

Emissions from gas supplied to customers

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

Other, please specify (GHG Inventory Information Management)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

13253352

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Direct GHG emissions from GHG sources owned or controlled by the company.

• Stationary combustion emissions:

- CO2 emissions, from electric power generation facilities (by combustion of any type of fuels).
- Methane (CH4) and nitrous oxide (N2O) emissions associated with the combustion of any type of fuel.

- CO2 emissions from the combustion of fuels in buildings or facilities, from heating equipment or generators.

- CO2 emissions from the combustion of fuels in gas storage facilities.

• Direct fugitive emissions in anthropogenic systems:

- Of methane (CH4) (natural gas storage and transport).

- Of sulphur hexafluoride (SF6) (distribution networks, generation substations, etc.).

- From refrigerant gases (CFCs) from air-conditioning equipment.

• Emissions from mobile combustion, associated with fuel consumption in transport equipment such as motor vehicles, vessels, etc., (we take into account fleet vehicles and vessels to transport personnel in this section).

• Emissions from land use: associated with the change in land use, calculated by the volume of vegetation generated.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

• Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.

- Emissions associated with electricity consumption in the group's buildings.

- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

2087580

Scope 2, market-based (if applicable)

2061476

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

• Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.

- Emissions associated with electricity consumption in the group's buildings.

- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3422571

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

• Emissions associated with the supply chain.

The calculation is performed at global level by Iberdrola S.A., with the emissions information provided by suppliers through the corporate purchasing tool, a global ratio of kgCO2/€ invoiced is calculated, which makes it possible to determine the emissions associated with each country subholding based on its turnover.

Capital goods

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions included in section Purchased goods and services.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

27466387

Emissions calculation methodology

Average product method
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions associated with electricity purchased from third parties (10,444,237 tCO2e) - Upstream life cycle generation fuel emissions WTT (4,850,698 tCO2e)- Emissions associated with power generated for third parties (12,171,452 tCO2e); • Emissions from other life cycle processes used in electricity generation, upstream.

We will account for the emissions derived from the upstream life cycle of the fuels used to produce electricity (extraction, transport and processing. The factors used will be those of DEFRA in the WTT (Well to Tank) section.

• Emissions associated with electricity purchased from third parties for sale to end customers.

These are the emissions from electricity purchased from third parties for sale to the end customer where direct emissions are not accounted for. The emissions calculated are those from the generation of the energy purchased from third parties.

The energy purchased from third parties, for sale to end customers, is calculated by subtracting the renewable energy generated from the total energy sold, or in the case of distributors, discounting the distributed renewable energy (if the data is known), then multiplying the resulting energy by the country's emission factor to obtain its total emissions, and the direct emissions from own generation are subtracted to avoid double accounting, the resulting value being the emissions of the energy purchased from third parties.

• Emissions from power generation facilities (due to fuel consumption) for third party production, IPP plants in Mexico.

These are the emissions produced in combined cycle plants operating under the Independent Power Producer (IPP) modality.

We measure the emissions of carbon dioxide (CO2), nitrous oxide (N2O) and methane (CH4), in T CO2 eq, produced by the fixed combustion of fossil fuels.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

7435

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

These are the emissions derived from employees' business travel by different means of transport (air, car, train, ...).

Emissions associated with business travel are calculated on the basis of the kilometres travelled by each means of transport and the emission factor 1 of the means of transport considered

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

28870

Emissions calculation methodology

Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

• Emissions associated with commuting.

These are emissions from employees' commuting to and from work (commuting in company fleet cars is not included).

The information is obtained through employee surveys. To do so, every Iberdrola Group employee was sent a questionnaire in order to calculate their transit emissions via an emissions calculator which works out emissions for travel. The compiled data is loaded into a database and extrapolated to all Iberdrola Group employees.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Included in other categories (Scope 1, Scope 2 and Scope 3)

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Iberdrola's products do not need downstream transportation and distribution.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Iberdrola's products do not need a post-sale processing.

Use of sold products

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

19659976

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

- Emissions associated with gas supplied to customers.
These are the CO2 emissions from the combustion of the gas sold to the end customer.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Iberdrola's sold products do not need end of life treatment.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from the fuels consumed by Transferred and posted in Scope 1. Iberdrola's fleet of vehicles, which are leased assets: Each Region is responsible to introduce into the software Sygris the data of km made by Iberdrola's fleet vehicles. To calculate these emissions the following formula is used: km by fleet vehicles x emission factor. Emission factor come from DEFRA "Greenhouse Gas Conversion Factor Repository".

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions not relevant as they are below 0.01 % of total emissions for the Iberdrola Group.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Imports of electricity from different countries where Iberdrola does not generate electricity. This category was reported under Scope 2.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000392

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

15314828

Metric denominator

unit total revenue

Metric denominator: Unit total

39113500000

Scope 2 figure used

Market-based

% change from previous year

12.09

Direction of change

Decreased

Reason for change

Investment in renewable energy has made it possible to obtain revenues while avoiding the emissions of CO2. In 2021, the production of renewable energy has been 8.5% higher than in 2020. Revenues has increased 18,01% in 2021 vs. 2020.

Intensity figure

0.115

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

15314828

Metric denominator

megawatt hour generated (MWh)

Metric denominator: Unit total

133247000

Scope 2 figure used

Market-based

% change from previous year

0.97

Direction of change

Decreased

Reason for change

Production has increased 4,75%. Metric denominator included own production + steam. The production of renewable energy has been 8.5% higher than in 2020 (5.1% of free emissions production) due to investment in renewable energy.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	12809993	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	255640	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	7767	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	58076	IPCC Fifth Assessment Report (AR5 – 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	3318	248964	58076	310358	Fugitive Emissions of methane, SF6, and refrigerant gases
Combustion (Electric utilities)	12754643	6676	0	12761319	Emissions from Energy Generation (Fuel consumption)
Combustion (Gas utilities)	0	0	0	0	Iberdrola is Electric Utility
Combustion (Other)	144184	0	0	144184	Emissions in other facilities, buildings, offices, ... (due to fuel consumption). Emissions from mobile combustion.
Emissions not elsewhere classified	37490	0	0	37490	No2 emissions, gas storage emissions and emissions from land use.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Spain	4535618
United Kingdom of Great Britain and Northern Ireland	40482
United States of America	1617720
Mexico	6046557
Brazil	985834
Other, please specify (Iberdrola Energy International)	27141

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

- By business division
- By facility
- By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Generation	12767591
Renewables	1496
Distribution	310358
No Generation	29723
Corporate	144184

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Spain Combined Cycles	2985589	43.2675	-2.93861
Spain Cogeneration	1487273	43.2675	-2.93861
Spain Others (not power generation CO2 emissions)	62755	43.2675	-2.93861
United Kingdom others (not power generation CO2 emissions)	40481	54.59664	-5.92081
Avangrid Gas Generation	1306617	41.258135	-73.001512
Avangrid Others (not power generation CO2 emissions)	311103	41.258135	-73.001512
Neoenergia Combined Cycles	921137	-22.926952	-43.173964
Neoenergia Others (not power generation CO2 emissions)	64697	-22.926952	-43.173964
Mexico Combined Cycles	5268632	19.428809	-99.204357
Mexico Cogeneration	761365	19.428809	-99.204357
IEI Combined Cycles	18395	43.2675	-2.93861
IEI Others (not power generation CO2 emissions)	8723	43.2675	-2.93861
Mexico Others (not power generation CO2 emissions)	16560	19.428809	-99.204357

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Generating Facilities	9251888
Cogeneration	3515703
Gas Distribution: CH4 leakage	248964
Distribution networks: SF6 releases	58076
Non-generation facilities	33041
Renewables generation	1496
Corporate	144184

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	12754643	<Not Applicable>	Emissions from Energy Generation (Fuel Consumption)
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	6420	Decreased	0.075	Increase in green electricity consumption in buildings and renewable energy self-generated in wich means a reduction of emissions (11,069 tCO2 avoided. 11,069/1,4763,508 (SC1+SC2 in 2020) = 0.075%
Other emissions reduction activities	53864	Decreased	0.365	Increase in energy efficiency from distribution networ wich means a reduction of Scope 2 emissions (lost in networks) (53,864 tCO2 avoided). 53,864/1,4763,508 (SC1+SC2 in 2020) = 0.365% (Decrease)
Divestment	0	No change	0	There have been no divestments
Acquisitions	0	No change	0	There have been no relevant acquisitions
Mergers	0	No change	0	There have been no relevant mergers
Change in output	273742	Increased	1.8	Increase of energy production in combined cycles due to the demand needs of different countries 2021 vs. 2020 = 5,888 GWh, corresponding to 273,742 tCO2 emissions; 273,742 / (SC1+SC2 in 2020) = 273,472 / 14763508 = 1.8 %
Change in methodology	0	No change	0	There has been no relevant change in methology
Change in boundary	0	No change	0	There has been no relevant change in boundary
Change in physical operating conditions	0	No change	0	There have been no relevant changes in physical operating conditions
Unidentified	0	No change	0	There have been no unidentified
Other	0	No change	0	There have been no others

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	169432978	169432978
Consumption of purchased or acquired electricity	<Not Applicable>	81079	3200984	3282063
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	110316	<Not Applicable>	110316
Total energy consumption	<Not Applicable>	191395	172633962	172825357

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

N/A

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

N/A

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

N/A

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

N/A

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

295798

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Fuel-oil

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

168090838

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Gas for Combined Cycles and Cogeneration

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

1046342

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Gasoil, WDF, Ofgas, Petrol and Ethanol

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

169432978

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Energy consumption by tiype of fuel: Natural Gas, Fuel-oil, Gas-oil WDF, Ofgas, Petrol and Ethanol

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

The last Iberdrola´s coal plant was closed in 2020.

Lignite

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Oil

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Gas

Nameplate capacity (MW)

8777

Gross electricity generation (GWh)

25764

Net electricity generation (GWh)

25259

Absolute scope 1 emissions (metric tons CO2e)

9233464

Scope 1 emissions intensity (metric tons CO2e per GWh)

358

Comment

N/A

Sustainable biomass

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Other biomass

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Waste (non-biomass)

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Nuclear

Nameplate capacity (MW)

3177

Gross electricity generation (GWh)

23657

Net electricity generation (GWh)

23193

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Geothermal**Nameplate capacity (MW)**

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Hydropower**Nameplate capacity (MW)**

13849

Gross electricity generation (GWh)

24861

Net electricity generation (GWh)

24374

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Wind**Nameplate capacity (MW)**

20920

Gross electricity generation (GWh)

47523

Net electricity generation (GWh)

46591

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Onshore and Offshore

Solar**Nameplate capacity (MW)**

3266

Gross electricity generation (GWh)

2809

Net electricity generation (GWh)

2754

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Marine

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Other renewable

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

N/A

Other non-renewable

Nameplate capacity (MW)

1185

Gross electricity generation (GWh)

7302

Net electricity generation (GWh)

7159

Absolute scope 1 emissions (metric tons CO2e)

3515703

Scope 1 emissions intensity (metric tons CO2e per GWh)

491

Comment

Combined Cycles

Total

Nameplate capacity (MW)

51174

Gross electricity generation (GWh)

131916

Net electricity generation (GWh)

129330

Absolute scope 1 emissions (metric tons CO2e)

12749167

Scope 1 emissions intensity (metric tons CO2e per GWh)

96.64

Comment

Not considered heat in Scope 1 emissions intensity.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Spain

Consumption of electricity (MWh)

3057240

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3057240

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

40868

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

40868

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United States of America

Consumption of electricity (MWh)

113265

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

113265

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Mexico

Consumption of electricity (MWh)

33117

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

33117

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Brazil

Consumption of electricity (MWh)

32678

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

32678

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Other, please specify (IEI)

Consumption of electricity (MWh)

4892

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4892

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?

Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/Region

Spain

Voltage level

Distribution (low voltage)

Annual load (GWh)

90965

Annual energy losses (% of annual load)

6.4

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

227629

Length of network (km)

262506

Number of connections

11280000

Area covered (km2)

190000

Comment

Country/Region

United Kingdom of Great Britain and Northern Ireland

Voltage level

Distribution (low voltage)

Annual load (GWh)

32221

Annual energy losses (% of annual load)

7.21

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

513890

Length of network (km)

106191

Number of connections

3550000

Area covered (km2)

80000

Comment

Country/Region

United States of America

Voltage level

Distribution (low voltage)

Annual load (GWh)

37474

Annual energy losses (% of annual load)

3.99

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

357336

Length of network (km)

110066

Number of connections

2300000

Area covered (km2)

272000

Comment**Country/Region**

Brazil

Voltage level

Distribution (low voltage)

Annual load (GWh)

58185

Annual energy losses (% of annual load)

11

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

637585

Length of network (km)

689484

Number of connections

15740000

Area covered (km2)

836000

Comment**C9. Additional metrics****C9.1****(C9.1) Provide any additional climate-related metrics relevant to your business.****Description**

Other, please specify (Water use)

Metric value

307

Metric numerator

Water use (cubic meters)

Metric denominator (intensity metric only)

Electricity Production (GWh)

% change from previous year

29

Direction of change

Decreased

Please explain

Increased efficiency in water consumption

C-EU9.5a**(C-EU9.5a) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.**

Coal – hard

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Lignite

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Oil

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Gas

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

84111000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

1.86

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

1

Explain your CAPEX calculations, including any assumptions

Production Combined Cycled and Cogeneration

Sustainable biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Other biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Waste (non-biomass)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Nuclear

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

139140000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

3.09

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

1

Explain your CAPEX calculations, including any assumptions

Nuclear

Geothermal

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Hydropower

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

300635000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

6.68

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

5

Explain your CAPEX calculations, including any assumptions

Hydropower

Wind

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

2914867000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

64.75

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

70

Explain your CAPEX calculations, including any assumptions

Included in other renewable

Solar

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

1063211000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

23.62

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

23

Explain your CAPEX calculations, including any assumptions

Solar Generation

Marine

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Fossil-fuel plants fitted with CCS

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Other renewable (e.g. renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

Other non-renewable (e.g. non-renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Explain your CAPEX calculations, including any assumptions

N/A

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Other, please specify (Green Hydrogen)	Iberdrola is spearheading the development of green hydrogen to meet the electrification and decarbonisation needs of sectors such as industry and heavy goods transport.	2500000000	1.6	2030
Charging networks	Installation of 150,000 charging points for electric vehicles until 2025	6000000000	4	2025
Electric vehicles	Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030	105000000	0.07	2030
Other, please specify (Networks (smartgrids, smartmeters, etc...))	Networks (efficiency, new lines, smartgrids, smartmeters...)	27200000000	18	2030

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Renewable energy	Large scale commercial deployment	21-40%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.
Infrastructure	Full/commercial-scale demonstration	21-40%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.
Demand side response programs	Full/commercial-scale demonstration	21-40%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.
Digital technology	Large scale commercial deployment	≤20%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2
GHG_Report_2021.pdf
CDP-verification-Iberdrola 2021.pdf

Page/ section reference

The report of emissions and categories has been carried out in accordance with the ISO 14064-1:2018 standard.
Scope 1 corresponds to Category 1 - Direct GHG emissions.
Whole in CDP-verification-Iberdrola 2021.pdf.
In GHG_Report_2021.pdf, data in page 15: Scope 1 corresponds to Category 1 - Direct GHG emissions, and verification from page 30-39

Relevant standard

ISO14064-1

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Third party verification/assurance underway

Attach the statement

2

GHG_Report_2021.pdf

CDP-verification-Iberdrola 2021.pdf

Page/ section reference

The report of emissions and categories has been carried out in accordance with the ISO 14064-1:2018 standard.

Scope 2 corresponds to Category 2 - Indirect GHG emissions due to imported energy.

Whole in CDP-verification-Iberdrola 2021.pdf.

In GHG_Report_2021.pdf, data in page 15: Scope 2 corresponds to Category 2 - Indirect GHG emissions due to imported energy, and verification from page 30-39

Relevant standard

ISO14064-1

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Third party verification/assurance underway

Attach the statement

2

GHG_Report_2021.pdf

CDP-verification-Iberdrola 2021.pdf

Page/ section reference

The report of emissions and categories has been carried out in accordance with the ISO 14064-1:2018 standard.

Scope 2 corresponds to Category 2 - Indirect GHG emissions due to imported energy.

Whole in CDP-verification-Iberdrola 2021.pdf.

In GHG_Report_2021.pdf, data in page 15: Scope 2 corresponds to Category 2 - Indirect GHG emissions due to imported energy, and verification from page 30-39

Relevant standard

ISO14064-1

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

- Scope 3: Purchased goods and services
- Scope 3: Capital goods
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Upstream leased assets
- Scope 3: Investments
- Scope 3: Downstream transportation and distribution
- Scope 3: Processing of sold products
- Scope 3: Use of sold products
- Scope 3: End-of-life treatment of sold products
- Scope 3: Downstream leased assets
- Scope 3: Franchises

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Third party verification/ assurance underway

Attach the statement

- 2
- GHG_Report_2021.pdf
- CDP-verification-Iberdrola 2021.pdf

Page/section reference

The report of emissions and categories has been carried out in accordance with the ISO 14064-1:2018 standard.

Scope 3 corresponds to Indirect GHG emissions from transportation, caused by products used by the organization and associated with the use of the organization's products.

Whole in CDP-verification-Iberdrola 2021.pdf.

In GHG_Report_2021.pdf, data in page 15: Indirect GHG emissions and verification from page 30-39

Relevant standard

IS)14064-1

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year emissions intensity figure	This data is published in the Sustainability Report, verified by KPMG. Renewable energy products Iberdrola Green Energy comes exclusively from 100% renewable energy sources, as per European Directive 2009/28/EC.	This is a key performance indicator for the Group. Available evolution in our webpage: https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory/intensity-emissions/gsm22_IA_SustainabilityReport2021.pdf
C3. Business strategy	Emissions reduction activities	This data was published in the Sustainability Report, verified by KPMG, and Financial Report, audited by KPMG. Also published in our Integrated Report and General Shareholders's Meeting's	Emission-free installed capacity has been increased being our emission free output our main initiative to comply with emission reduction target. Objective for Executive directors and management personnel linked to the Company's performance's variable fee. gsm22_IA_SustainabilityReport2021.pdf gsm22_FinancialStatements_AuditorsReport_Consolidated2021.pdf
C3. Business strategy	Renewable energy products	Iberdrola Green Energy comes exclusively from 100% renewable energy sources, as per European Directive 2009/28/EC, characterised by full environmental respect by avoiding the emission of CO2 and other pollutant gases. Iberdrola Green Energy is doubly certified: At source, by IRECS (International Renewable Energy Certificate Services) certificates issued and managed by an Issuing Body which guarantees that the energy generated comes exclusively from renewable sources. Renewable source of all the energy supplied, certified by Bureau Veritas Quality International.	This certification implies the existence of an internal methodology for managing these IRECS certificates and the allocation of that energy to the customers who buy it, so that only energy from renewable sources and certified at source can be sold as green energy. gsm22_IA_SustainabilityReport2021.pdf
C2. Risks and opportunities	Other, please specify (TCFD)	Task Force on Climated-related Disclosures	Iberdrola was one of the first companies to publicly commit to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As part of this, in 2017, the company created an internal multidisciplinary working group to coordinate all the work performed in this area. In this report, the company currently reports the progress made in each of the four thematic areas in which the TCFD's eleven recommendations are structured. gsm22_IA_SustainabilityReport2021.pdf
C4. Targets and performance	Emissions reduction activities	This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page.	This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's Sustainability Scorecard: https://www.iberdrola.com/sustainability/sustainable-management/sustainability-scorecard/gsm22_IA_SustainabilityReport2021.pdf
C8. Energy	Renewable energy products	This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page.	This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page. gsm22_IA_SustainabilityReport2021.pdf
C6. Emissions data	Other, please specify (The Corporate Environmental Footprint (CEF) is defined as a multi-criteria measure of the environmental performance of a goods/services providing organization from a life cycle perspective.)	This data is published and verified by AENOR under ISO/TS 14072:2014. Environmental management - Life cycle assessment - Requirements and guidelines for organizational life cycle assessment.	and the Environment (RIVM), the Institute of Environmental Sciences of the University of Leiden (CML), the consultancy PRé Consultants and the Faculty of Science at Radboud University. IB_Environmental_Footprint_Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT - ETS
EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

California CaT - ETS

% of Scope 1 emissions covered by the ETS

100

% of Scope 2 emissions covered by the ETS

2

Period start date

January 1 2021

Period end date

December 31 2021

Allowances allocated

0

Allowances purchased

97231

Verified Scope 1 emissions in metric tons CO2e

139145

Verified Scope 2 emissions in metric tons CO2e

2783

Details of ownership

Other, please specify (Emissions associated with electrical generation from owned or operated and wholesale market purchases delivered to California.)

Comment

EU ETS

% of Scope 1 emissions covered by the ETS

100

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2021

Period end date

December 31 2021

Allowances allocated

15165

Allowances purchased

3840000

Verified Scope 1 emissions in metric tons CO2e

3647668

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Other, please specify (Facilities we own and operate + Facilities we operate but do not own)

Comment

EU ETS in Spain

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

· Only the generation facilities located in Europe (Spain, UK) and USA are subject to an emission rights trading system, for which reason this indicator does not affect the thermal generation facilities in Mexico or Brazil. In the UK Iberdrola has no conventional generation assets becoming 100% renewable energy company in that country.

The facilities located in Spain have not received free trading rights since 2013, for which reason they have to acquire the necessary rights at auction to offset the emissions produced.

In 2021, only the Tarragona Power facility in Spain has been assigned 15,165 emissions rights, within the emissions trading system (ETS) market.

The IBERDROLA Group is a major player in the European Emissions Trading Scheme, which began to operate in Europe on January 1st, 2005. IBERDROLA has played an active role throughout 2018 in the EU-ETS trading through both bilaterally and in exchanges, mainly buying allowances for compliance. The main goal is to minimise the carbon market risk while optimising the value of the European thermal electricity generation assets.

· A significant amount of the Avangrid Renewables western U.S. activity includes the import of energy into the State of California. The California Cap-and-Trade program commenced in 2013 and relies on the mandatory reporting of greenhouse gas emissions and purchase of equivalent allowances. To comply with the Cap-and-Trade regulation, we have registered with the California Air Resources Board, tracked and reported our annual GHG emissions on Avangrid Renewables resources imported into California, created the necessary allowance accounts, and designated authorized account representatives. We submit the details of our emissions-related activities to an independent verifier. Upon approval from the verifier, Avangrid Renewables will surrender the required compliance instruments by the established deadlines.

· Besides that, Iberdrola's Management Committees of every country where the Group operates monitor potential changes in regulation including that linked to climate change and energy transition. In those committees both the businesses and corporate functions are represented. Further regulations on emission trading evolution are also monitored.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Other, please specify (Voluntary offsetting: Flights & Gas sells in France)

Project identification

During 2021, Iberdrola has cancelled 3000 emission reduction credits to offset flights and 150000 credits to offset the footprint of gas sells in France.

Verified to which standard

Other, please specify (UNE-ISO 20121)

Number of credits (metric tonnes CO2e)

153000

Number of credits (metric tonnes CO2e): Risk adjusted volume

153000

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Stakeholder expectations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Stress test investments
Identify and seize low-carbon opportunities

GHG Scope

Scope 1
Scope 2
Scope 3

Application

Iberdrola uses an internal carbon price to alternatively assess comparative economic impact of different investment scenarios. It is included as one additional factor to be taken into consideration when informing capital and operational decision making, and is linked with our R&D strategy, investments and divestment plans.

Direct and indirect emissions are considered when using internal carbon price, and that is as a key factor reinforcing the strategy of Iberdrola that has started 20 years ago, focusing in renewable energy and decarbonization.

With our foreseen renewables investments included in our Strategic Plan for 2025 and the switching from gas to Renewables. We include the potential cost of projects CO2 emissions in all major investment decisions, using an average cost of €95 per ton of CO2. In the last year we have updated an important increase reflecting CO2 market behaviour and supported by an ambitious and stable regulation.

Actual price(s) used (Currency /metric ton)

95

Variance of price(s) used

This carbon price is a "Differentiated pricing" which is forecasted quarterly in order to assess different long term impacts. IBERDROLA has a tool to calculate the cost of emitting CO2 in each country (this price provided is an average) where it operates taking into account their national decarbonization policies.

We are active members of CO2 Carbon Pricing Leadership Coalition - CPLC (World Bank).

As an example of effectiveness of carbon pricing in the power sector it is worth highlighting the case of the UK where the increase of the Carbon Price Support to 18 GBP/tCO2 in April 2015 has encouraged significant coal to gas switching. So, in 2018 Iberdrola sold conventional generation assets in the United Kingdom, becoming the first 100% renewable energy company in that country.

At a global level, a carbon price of 75 USD/tCO2 by 2030 would be needed to be in line with Paris Agreement targets as per analysis by the IMF in line with the analysis by Stern and Stiglitz under the High Level Commission on Carbon Prices which concluded that the explicit carbon-price level consistent with achieving the Paris temperature target is at least US\$40–80/tCO2 by 2020 and US\$50–100/tCO2 by 2030, provided a supportive policy environment is in place.

Type of internal carbon price

Shadow price

Impact & implication

Shadow price

Impact & implication

The internal carbon price is studied together with other commodities (as gas, coal) and served as a basis to foresee a switch from coal to CCGT in 2021 and a future switch from gas to renewables if prices are higher enough.

In Nov'20, Iberdrola unveiled the most ambitious investment plan in its history, totalling 75,000 M€ until 2025. 51% of this amount will be allocated to promoting clean energy, with the aim of doubling the group's renewable capacity in only 5 years and reaching 60,000 MW.

At year-end 2021, the Iberdrola had 58,320 MW of total installed capacity of which 38,138 MW are renewable. 81% of total own installed capacity is associated with emission-free technologies.

This clean energy investment strategy and commitment have led the Group to continue reducing its own emissions to 96 grams per kWh in 2021.

The company has publicised its commitment to decarbonisation, setting demanding objectives: "to being a carbon neutral company in Europe by 2030 and to reducing our CO2 emissions 96% globally, to 50g/kWh". It should be noted that Iberdrola already generates 100% of its energy with zero emissions in countries like the UK, Germany and Portugal.

Regarding Scope 2 and 3, Iberdrola has designed an internal awareness campaign aligned with a "carbon budget" concept in business and key areas within the group, to give better understanding on internal carbon pricing impacts and further action plans.

Iberdrola continues to reduce its indirect emissions. In 2021, the electrical power consumed by the offices in the UK was 100% green, whilst in Spain it was 99% green, with emissions due to energy consumption in buildings reduced by more than 50%.

Products and services promoting energy efficiency and savings for clients, key examples in 2021:

- Spain: Continuous development of products and services including plans adapted to consumption habits and solutions tailored to customers' needs (Smart products). Development of the largest complex for Green H2 for industrial use in Europe and the first commercial production and dispensing plant of Green H2 for the Barcelona bus fleet

- UK: A cumulative total of 1.9 million smart meters has also been installed in the UK

- Europe: Growth of retail activity and connection to customers through Smart Solutions, leading to more than 11 million smart contracts worldwide during 2021.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers/clients
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

Climate change performance is featured in supplier awards scheme

Other, please specify (Supplier's of the Year Award - Environmental category: promoting suppliers' environmental responsibility and publicly recognising those who go the extra mile.)

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Supplier's of the Year Award - Environmental category: Promoting suppliers' environmental responsibility and publicly recognising those who go the extra mile. The aim of Iberdrola's Supplier Awards is to incentivise and recognise excellence, sustainable development, quality, internationalisation, innovation, corporate social responsibility, job creation and the prevention of workplace risks. This action driver for suppliers has generated a progressive convergence of suppliers and supplies toward the sustainable parameters required by the company, resulting in a multiplying effect throughout the supply chain, since what is currently being requested from first-level suppliers will gradually be assumed by the entire supply chain. In 2021, under the heading RETO — meaning 'CHALLENGE' in Spanish and standing for Recuperación (Recovery), Energía (Energy), Transición (Transition) and ODS (SDGs) —, the awards went to eight companies that stand out due to their commitment to the ecological transition, innovation, entrepreneurship, employability, talent, contribution to the SDGs and involvement with COVID-19. The awards recognise the key role of the value chain in the achievement of Iberdrola's strategic projects and the relevance of creating an ecosystem of suppliers working towards the same objectives. They are also an opportunity to highlight the commitment to encourage business management in areas such as sustainable development, safety and quality, innovation, internationalisation and job creation. This initiative is open to all our supplier group-wide, who can present their nominations for the awards. This is because we think all our suppliers are equally relevant for us.

Impact of engagement, including measures of success

Active engagement with the most active sustainable suppliers. Iberdrola works and shall continue to work with excellent and sustainable suppliers, and to do so, it establishes clear traction and measurement mechanisms with resources in the Purchasing Division allocated to these tasks. The Company likewise establishes personal objectives with its management team that are linked to continuously improving the sustainability ratios of its suppliers. Only in this way, Iberdrola can continue to grow and serve the societies in which it is present and to which it is committed. With the awards to suppliers, Iberdrola wants to encourage, promote and recognize excellence, sustainable development, quality, internationalization, innovation, corporate social responsibility, job creation and occupational risk prevention. In addition, the Prize was born as a tool and mechanism of thanks to the supplier of his contribution to the achievement of the Group's objectives. This award is also a way for dialogue and communication with relevant suppliers. Iberdrola measures success arising from this initiative through the interest shown by suppliers and the nominations received. This type of actions has produced a progressive approach of suppliers and supplies towards the sustainable parameters required by the company, causing a multiplier effect on the entire value chain, since what is demanded from first-class suppliers today, will be gradually assumed by the entire supply chain. In 2021, nine companies were awarded, standing out due to their commitment to equality, employment, digitalisation, energy transition, and help in the procurement and transport of essential health and protection material during the COVID-19 pandemia.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

Other, please specify (Environmental clause in hiring condition)

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Iberdrola Group's conditions of purchase are documents of a general nature that regulate the relationships between the companies of the Iberdrola Group and their suppliers, usually included as a basic part of the contractual documentation. In such way, suppliers must comply with specific environmental clauses during the contract. These conditions contain contractual clauses that oblige the parties to act with environmental respect and have a preventive approach to environmental issues in order to achieve sustainable development, limiting activities whose impact on the environment is doubtful. Suppliers must also sign the Ethics Code, incorporates principles in environmental matters. These criteria are applied to all our supplier group-wide, we do not make any distinction between them.

Impact of engagement, including measures of success

The company also performs tracking and reporting activities on an on-going basis. This mechanism is a filter which allows selecting best suppliers and raise awareness among suppliers about the importance of reducing their impacts, or in changing the external conditions that surround them, thus producing more sustainable products and services. This mechanism is used to measure how suppliers reduce their impacts in environment. The Procurement Department at Iberdrola has had the goal of improving the sustainability of its suppliers for more than 15 years, linked to the team's variable remuneration. This objective has been translated into a corporate sustainability

objective organised around three fundamental pillars of sustainability that come under the acronym ESG: Environmental, Social and Governance. Iberdrola's commitment to ESG criteria and its extension to its main suppliers is embodied in the ambitious goal of ensuring that at least 70% of the Group's main suppliers are subject to sustainable development policies and standards by 2022. This objective is directly reflected in the inclusion of this scale in the evaluation of the Strategic Bond 2020-2022, approved in point sixteen of the resolutions passed at the Iberdrola, S.A. General Shareholders' Meeting held on April 2, 2020. In 2021 the Purchasing Division consolidated the use of the global supplier sustainability evaluation model, which is conformed to the international reality of the Iberdrola group and organised around three core ESG pillars of sustainability: Environmental, Social and Governance. The supplier must provide evidence and supporting documentation for their statements and performance. The model assesses 43 ESG-related variables using the Go-Supply platform, including: identification of goals linked to the Sustainable Development Goals (SDG), management of risks resulting from climate change, circular economy strategy, due diligence in human rights, etc. At year-end 2021, more than 73% of the group's main suppliers awarded contracts in the 2020-2021 period already met the established criteria and followed sustainable development policies and standards. Furthermore, in 2021, €10,827 million have been allocated to suppliers evaluated on the basis of this ESG model (89% of total amount awarded). €10,014 million (82.5%) was awarded to suppliers surpassing the level of sustainability.

Comment

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services
Other, please specify (Engagement with Sustainable Development Goals (United Nations))

% of suppliers by number

85

% total procurement spend (direct and indirect)

85

% of supplier-related Scope 3 emissions as reported in C6.5

85

Rationale for the coverage of your engagement

Inside the 7th Supplier Satisfaction Survey, which was sent out to Iberdrola's suppliers in 2020, a section was included to analyse the alignment of suppliers with the Sustainable Development Goals (SDGs) and the initiatives they are developing. The survey was sent to almost 4,900 suppliers, which represent 85% of the total volume of procurement spend. Iberdrola considers this is a very relevant sample of our suppliers. 1,960 responses were obtained, representing 40% participation with an average of 3.5 SDGs reached for each provider who responded to this section. The survey is sent to 85% of our suppliers because this is considered an adequate representative sample of our suppliers. In this selection, different kind of suppliers are included: large, small, global, local suppliers, etc.

Impact of engagement, including measures of success

The results on the survey on SDGs show that 561 suppliers have specific objectives and plans to undertake their commitments, and many of the actions are coordinated from Foundations or corporative volunteering teams. Regarding the creation of alliances between Iberdrola and its suppliers to accelerate compliance with the 2030 Agenda, many suppliers highlighted that it would be interesting to hold joint online sessions between the parties, in order to share good practices, future plans and company commitments. Our supply chain is mainly involved with SDGs 3, 7, 9 and 13. We have two measures of success: obtaining more than 40% of answers and maintaining the average grade obtained in the previous year.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers
Other, please specify (Supplier Mobility Plan)

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Iberdrola's commitment to sustainability has been transferred to suppliers in recent years, through actions undertaken in the Purchasing area, which has resulted in bringing the supply chain closer to the socially responsible parameters required by the Company. In the database management of suppliers, it is intended to have knowledge of initiatives and sustainable mobility plans that our suppliers have. That is why Iberdrola has incorporated an issue in the basic register of suppliers of the following type: "Does your organization have a sustainable urban mobility plan?" This covers all suppliers from Iberdrola Group, as Iberdrola is very focused on sustainable mobility. Iberdrola considers sustainable mobility as a very important matter in the path to decarbonisation, and tries to keep all of its suppliers aware of this matter. Electric mobility contributes to emissions reduction in the transport sector. As part of its commitment to sustainability and the environment, and as an effective way to fight climate change, the company wants to promote and lead the transition towards sustainable mobility and the electrification of transport. This is applied to all our suppliers group-wide, as we consider them equally relevant.

Impact of engagement, including measures of success

In this way, Iberdrola has information about its suppliers and is aware of the initiatives that are being carried out or are programmed in its supply chain and will be able to monitor new sustainability actions in order to promote sustainable mobility. Impact from this engagement can be measured by number of initiatives being developed by suppliers, and by interest shown by suppliers on sustainable mobility. The inclusive nature of Iberdrola's Sustainable Mobility Plan involves employees, the business activity, customers and suppliers, covering many actions in which the company seeks to strengthen its support of sustainability. The volume of purchases made in the year by the Company, translates into an engine of indirect jobs in the auxiliary industry and companies that provide services. Choosing local suppliers considerably shortens the trips due to the acquisition or contracting of materials, equipment, works and services that they can offer, thus reducing the emissions derived from this transport. In 2021, 88% of purchases were made from local suppliers.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

In its firm commitment to fight climate change, Iberdrola attempts to extend to its suppliers the effort to comply with the emission reduction objectives. In 2021 the Purchasing Division consolidated the use of the global supplier sustainability evaluation model, which is conformed to the international reality of the Iberdrola group and organised around three core ESG pillars of sustainability.

The evaluation of a supplier measures the supplier's performance in highly significant attributes: identification of objectives linked to the Sustainable Development Goals (SDGs), management of climate change risk, circular economy strategy, human rights due diligence, etc. The supplier must provide evidence and supporting documentation for their statements and performance. The model has been agreed upon with internal stakeholders (the Departments of Social Responsibility, Compliance, Sustainability and Environment) and has also been validated by Forética, an external organisation specialised in this area.

Impact of engagement, including measures of success

The model assesses 43 ESG-related variables using the Go-Supply platform (<http://www.mygosupply.com>) and is summarised in the KPIs that are part of each supplier. Following the analysis, suppliers are classified into two levels: acceptable if their score is over 51 points out of a possible 100 (and at least 30% of the points in each of the ESG axes), and not acceptable in all other cases. Suppliers that do not reach the required levels are sent a personalised ESG improvement plan indicating the areas in which they can improve. At year-end 2021, more than 73% of the group's main suppliers awarded contracts in the 2020-2021 period already met the established criteria and followed sustainable development policies and standards. Furthermore, in 2021, €10,827 million have been allocated to suppliers evaluated on the basis of this ESG model. This amount represents 89% of the total amount awarded to the different suppliers making up the Iberdrola group's supply chain. Of this amount, €10,014 million (82.5% of the total) was awarded to suppliers surpassing the above mentioned level of sustainability. It should be noted that in 2021, the objectives relating to the increase in purchases from key suppliers evaluated as "adequate" were met and that monitoring of improvement plans were introduced for those suppliers not achieving the minimum scores established by Iberdrola. To this end, improvement plans were sent to 529 suppliers of the group and 53% of them have improved their level of sustainability.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy
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% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

Company's projects in the area of commercial and industrial customers are focused on energy savings, cost reductions and CO2 emissions. These include projects for managing connectivity at buildings and audits to identify low-cost and easily-applied energy saving measures. Additionally, Iberdrola develops interesting conversations with key industrial customers on enabling conditions and potential collaborations to move forward in the decarbonization process in the context of global business alliances (World Business Council for Sustainable Development, European Roundtable of Industry, World Economic Forum...) and multilateral milestones (COPs...). As stated in our Sustainable Management Policy, we pursue the safety in the supply of energy products, resorting whenever possible to locally-produced primary energy sources, using renewable energy resources, and ensuring the reliability and availability of generation, transmission, and distribution facilities. We are engaged with all our customers, in the countries where we operate, in order to show them that we are a reliable company to be trusted in the process of the electrification of the economy. Iberdrola's main objective is to improve energy efficiency and the smart use of active electrical grids, thus contributing to the more efficient use of energy by consumers, and thereby reducing CO2 emissions and contributing to the fight against climate change. The types of actions taken include those relating to information, training and supply of solutions and technologies that help them to improve energy efficiency and reduce the environmental impact of their energy habits and consumption. Iberdrola engages in demand-side management in all of its geographic areas and for its various types of customers. The reason for this engagement is helping customers to improve their energy efficiency, in order to fight together against climate change. This engagement is extended to all our customers group-wide.

Impact of engagement, including measures of success

Strategy: We offer to our customers many programmes, products or services in place, like: - Products: Smart Solutions (<https://www.iberdrola.es/en>) or Smart Services: gas Maintenance Pack, Home Electricity Protection, Electrical Emergencies, Household Appliance Protection, Iberdrola Home support, energy Certificate, Gas Assistance, Gas Protection and Air. - Conditioning Protection. - Smart Mobility: solution for electric vehicles: Charging point, electric Vehicle Plan, App. - Smart Solar: The easiest and smartest way to connect to the sun. - Smart Home: Smart Lighting, Smart Thermostat, consumption Monitor, Smart Clima (aerothermal, air conditioning, Gas equipment upgrade, electrical equipment upgrade. - Electric mobility: Electric Vehicle Plan, access to electric mobility, recharge at home and recharge outside the house Iberdrola measures the number of customers who contract these products, and how satisfied are those customers with such products and services. There are plenty of products and services with high success and acceptance among our customers. This engagement campaigns show them the capacity of the electricity to decarbonize their common habits and make them partners in this challenge. As a measure of success, Iberdrola measures the number of customers who contract these products, and how satisfied are those customers with such products and services. We are focused on a long term strategy, and the clients are one of our main stakeholders to participate in partnerships focused on climate change fight. 266,134,260 GJ have been saved for green products and services in 2021 (GRI 302-5): Photovoltaic solar energy, Energy audits and plans, Gas maintenance service, Other savings and efficiency activities, Green energy supplied. 27,720,320 tCO2 were avoided from commercial initiatives for reducing emissions in 2021 (GRI 305-5): Energy savings and efficiency through green products and services.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
----------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

As part of its commitment to sustainability and the environment, and as an effective measure to combat climate change, the company is driving and leading the transition to sustainable mobility and electrification of transport. The Sustainable Mobility Plan is part of the commitment undertaken by the company in its Sustainable Management Policy, which requires the assumption of policies that promote sustainable exploitation of the group's corporate purpose. The objectives of this initiative are to reduce emissions, promote energy efficiency, improve the quality of life of the people living in the areas where the group operates and raise awareness among employees. Iberdrola offers to all its customers sustainable mobility solutions, Iberdrola offers its customers smart charging solutions at a 10th of the cost of traditional combustion engines.

Impact of engagement, including measures of success

Examples of engagement: - Joined forces with BNP Paribas to revolutionise the leasing market in Spain, with an innovative solution (All-inclusive), electrification of fleets associated with the distribution of online commerce (solution for individuals and companies, leasing of electric vehicles through Arval, installation of a charging point financed by BNP Paribas Leasing Solutions and energy consumption at home and on public roads for the contracted kilometres supplied by Iberdrola). - Agreements with vehicle manufacturers to promote sustainable mobility, as Volvo Car España, SEAT and Volkswagen. Iberdrola will supply renewable energy to the Volkswagen Group facilities in the Iberian Peninsula, and together they will develop a public charging infrastructure network. - Agreement with the Quadis dealership network, through which Iberdrola will contribute solutions for installing charging stations at its premises and the possibility of offering its customers and employees the purchase of an electric vehicle. - Electric motorbikes: together with Cooltra — with a fleet of more than 7,500 shared electric motorbikes throughout Europe — and Inetum, will roll out the service in cities where they operate. The smart charging stations each have capacity to house 20 chargers and multibrand motorbike batteries. The banks will be installed in public spaces such as shopping centres, car parks and mobility hubs. - Green loan signed with the Official Credit Institute for 59.4 million to install 2,500 charging points on public roads in Spain and Portugal. - Iberdrola's mobility electrification plan has the support of the European Commission, through a €13 m grant, awarded to the company within the framework of the CEF Transport Blending Facilities invitation from the Innovation and Networks Executive Agency (INEA), which will contribute towards financing the installation of 2,339 stations in Spain and Portugal in the run up to 2023. As a measure of success, Iberdrola measures the number of customers who contract these products, and how satisfied are customers (customer satisfaction survey). Iberdrola inaugurated the largest ultra-fast charging hub for electric vehicles currently existing in southern Europe in 2022 in the Valencian Community (four 400 kW chargers and another 12 200 kW chargers, with the possibility of charging up to 16 vehicles simultaneously).

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy
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% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

Global warming is a challenge that urgently requires the active participation of all civil society actors. As an international leader in the fight against climate change, the Iberdrola group carries out different awareness-raising initiatives within the framework of its Plan for Raising Social Awareness on Climate Change. The fight against climate change and everything it implies — the reduction of greenhouse gas emissions (GHG), the energy transition towards a decarbonised economy, energy efficiency, the change in consumer habits, etc. — requires a greater awareness and improved willingness to act by all civil society actors. As part of our commitment to the environment, in 2016 the Iberdrola group incorporated a Plan for Raising Social Awareness on Climate Change as an additional focal point for its climate change actions, which it has been developing since then through different initiatives aimed at different audiences. Iberdrola also promoted EducaClima, a website with education resources on climate change and sustainability created by teachers, for teachers. Some of the main objectives of EducaClima are to alert young people of the causes, impact and consequences of climate change, teach them about the vulnerability of nature to human pressures, and help them understand the role that energy and mobility have as the solution to this global challenge. It also aims to encourage responsible and efficient consumption of resources. The platform (created with the collaboration of teachers specialized in educational innovation so their contents fit into the school curriculum) offers free teaching, learning and assessment totally free and downloadable. Also in the frame of Plan for Raising Social Awareness on Climate Change, Iberdrola supports the initiative Ayuntamientos #Por El Clima focused in enhancing the climate action of small and medium Townhalls. The initiative, in collaboration with a Spanish NGO, ECODES, provides information and tools to the mayors to design the climate action of the municipality and gives them a speaker to give visibility and recognition to their actions.

Impact of engagement, including measures of success

As early as 2016, Iberdrola had already incorporated a Plan for Raising Social Awareness on Climate Change, which it has since been carrying out with various activities focussed on the creation of knowledge and the mobilisation and encouragement of climate action in society, directed toward various internal and external audiences, and coordinated through an internal working group at the global level. This plan consists of four main lines of conduct, which in 2021 included various activities including: internal communications to employees, external communications to customers through high-quality content on Iberdrola's website, a dedicated section for the dissemination of materials, podcasts on climate change, and activities (such as education and workshops) aimed at young people (EducaClima project, an online platform of educational resources on climate change and sustainability prepared by and for teachers, and driven by Iberdrola), and podcasts on climate change. Some of the main objectives of EducaClima are to alert young people and young customers of the causes, impact and consequences of climate change, teach them about the vulnerability of nature to human pressures, and help them understand the role that energy and mobility have as the solution to this global challenge. It also aims to encourage responsible and efficient consumption of resources. Measures are made of the use of the EducaClima platform. During 2021, results were the following: - 13,000 visits to the website, from 9.000 users - Social media: 2,500 followers on Facebook, Twitter and Instagram - 1060 Newsletter subscribers - Collaboration with different educational NGO (Ambientech in Spain and Plan21 in Argentina). Moreover, resources and materials on climate change can be found at Iberdrola's website, as a specific section on "Twelve action against climate change". We were expecting 10,000 visits, there were 13,000 visits, this is our measure of success of this initiative. Related Ayuntamientos #Por el Clima, there were 200 townhall included in the platform and they have shared more than 100 initiatives to fight against climate change.

Type of engagement & Details of engagement

Other, please specify	Other, please specify (Run an engagement campaign to engage with civil society)
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% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

As a result of Iberdrola's leadership in Climate Action, the United Nations has chosen Iberdrola as the leading company, the only energy company in the world that participates, to train vulnerable young people who can take advantage of employment opportunities (in our value chain) offered by the energy transition. For this reason, Iberdrola signed a 3-year Alliance with Unicef in October 2021 to launch training courses and professional internship opportunities that would promote the decarbonization of the economy (in areas such as renewables, energy efficiency, aerothermal energy, etc.) This is framed, for Spain, in a Framework of Action with highly prestigious social Entities, with solid support programs and experience in the employment of these groups, so that together with Iberdrola and the companies in its value chain, achieve with United Nations (Unicef) promote this transformative alliance and achieve the ambitious objectives of this GENU program (Generation Unlimited) on a global scale. Public, private, and civil society sector partners, government, business and UN agencies are working together with young people to scale up initiatives and innovations, creating greater impact in the world, through this Generation Unlimited (GENU) Global Program [<https://www.generationunlimited.org>].

Impact of engagement, including measures of success

The collaboration will be developed through 4 main projects along the following 3 years:

- Indicatives for youth in Brazil and Somalia
- Generation Unlimited for Spain
- Education program. Learning passport (international) and a specific program for Spain.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Partnership with other companies

Iberdrola and Fertiberia set a partnership on green hydrogen production. Iberdrola partnered with fertilizer company Fertiberia to install over 800MW of green hydrogen capacity over the next seven years. In July 2020, the two companies announced their plan to construct the largest green hydrogen plant for industrial use in Europe, by investing €50 million (\$58.5 million) in the construction of the plant in Puertollano. Iberdrola and Fertiberia are expanding their partnership with an investment of up to €1.8 billion (\$2.09 billion) to be made over the next seven years. Three additional projects will be developed by the two between 2023 and 2027, in the Fertiberia plants of Puertollano (Ciudad Real) and Palos de la Frontera (Huelva), to deliver 40 times the capacity of the first plant. The projects will reduce Spain's energy dependence and consumption of fossil fuels while promoting economic and social development. The projects will also improve the technological maturity of green hydrogen and turn it into a solution for efficient decarbonisation in the medium term.

Green hydrogen constitutes an important step in the fight against climate change, reducing CO2 emissions when producing hydrogen for industrial uses. It is a key factor on the path to climate neutrality.

Iberdrola is fully engaged with an ambitious approach to decarbonize the value chain through an intense participation in the main global alliances and organizations, where relevant partners in the global value chain are also involved. Some examples: World Business Council for Sustainable Development; European Roundtable for Industry, Steel Zero (The Climate Group), Spanish Green Growth Group...

The Company has also developed an intense involvement in the SME Climate Hub Initiative in Spain, backed by a partnership with We Mean Business for this purpose (signed in 2021). Within this partnership, Iberdrola is supporting the enlargement of the Race to Zero membership within the SME community in Spain.

El Día Después

In 2020, Iberdrola launched the initiative "El Día Después", an incubator for transformative partnerships, addressing the challenges posed by the Sustainable Development Goals through collective intelligence. "El Día Después" connects experts, professionals, activists, decision-makers to generate innovative proposals. It is a partnership between Iberdrola, Itd-UPM, REDS, ISGlobal and Sustainable Development Solutions Networks.

In July 2020, the Environment and Health Community of "El Día Later", within the framework of its line of work of contribution to public policies, has carried out an analysis and a series of proposals for improvement of the Draft Law on Climate Change and Energy Transition in Spain. The document, which was submitted to the Ministry of Ecological Transition, presented a generally good assessment of many of the articles. Among others, it considers very positively points as: the need of specific objectives for reducing emissions, of the penetration of renewables in the electricity mix and energy efficiency, the need of achieving net zero emissions in 2050 or earlier, the need to divest in fossil energy sectors, and

the need to mark the limits of adaptation to climate change.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Setting a science-based emissions reduction target

Description of this climate related requirement

The Purchasing Division assumes and promotes rigorous compliance with the contractual terms and the current regulations by its suppliers. Iberdrola group has assumed the ambitious undertaking that 70 % of its collaborator companies must be subject to sustainable development policies and standards by 2022. One of its basic principles of Iberdrola's Procurement Policy is "Promoting strict compliance by suppliers with contractual terms and conditions and with applicable law, placing special attention on respect for the environment and on the principles contained in the Policy on Respect for Human Rights, favourably assessing compliance with the provisions in the area of reconciliation and gender equality in the Equality, Diversity and Inclusion Policy and requiring acceptance of the principles set out in the Code of Ethics specifically applicable to the suppliers of the Group."

In 2021 the Purchasing Division consolidated the use of the global supplier sustainability evaluation model, conformed to the international reality of the Group and organised around three core ESG pillars of sustainability: Environmental, Social & Governance.

The evaluation of a supplier measures its performance in highly significant attributes: identification of objectives linked to the Sustainable Development Goals (SDGs), management of climate change risk, circular economy strategy, human rights due diligence, etc. Supplier must provide supporting evidence and documentation for its statements and performance.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

77

Mechanisms for monitoring compliance with this climate-related requirement

Certification

Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Other, please specify (These suppliers are sent a personalized improvement plan indicating areas in which they can improve and a deadline is agreed with them to attain results. In 2021, 500 plans were sent, with more than 50 % success.)

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Sustainability Report 2021, pag 47 and next: Alliances, partnerships and awareness-raising

SustainabilityReport2021.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Iberdrola has developed a very robust architecture of global alliances:

In keeping with its strategy, Iberdrola supports ambitious approaches in the framework of its climate policies and the establishment of plans and objectives. In addition, through alliances, declarations and campaigns, Iberdrola publicly supports frameworks for defining green recovery plans, aligning its climate goals with a pathway to robust, sustainable economic

growth. This is in addition to the need for all players to be aligned with and committed to the fight against climate change, which makes awareness-raising among society a key.

Alliances:

Iberdrola is an active participant, with a high degree of visibility, in the main milestones of the climate agenda, participating in a large number of technical seminars and high-level conferences. Iberdrola wants to actively and decisively contribute to a sustainable, low-carbon future – an effort that will also promote social and economic development through the creation of employment and wealth. To this end, the Company is committed to conducting its policy impacting activities within its areas of influence and alliances in which it participates in line with the objectives of the Paris Agreement.

Hence, Iberdrola has played a leading role from a business perspective in the principal engagement activities, alliances and meetings of the United Nations General Assembly and the various editions of New York Climate Week, climate conferences such as the Race to Zero Dialogues and the Climate Dialogues at various meetings of the global climate agenda at all levels (meetings of the subsidiary bodies of the United Nations Framework Convention on Climate Change (UNFCCC), meetings of multilateral bodies linked to climate, etc.).

Iberdrola also belongs to various international coalitions, backs diverse external initiatives and cooperates with numerous international organisations, business and/or multi-actor coalitions, think tanks and research centres, supporting ambitious global climate action:

- The Climate Group EV100 y SteelZero
- Corporate Leaders' Group
- Grupo Español de Crecimiento Verde.
- Alliance of CEO Climate Leaders WEF
- The Powering Past Coal Alliance
- European Climate Foundation
- Carbon Pricing Leadership Coalition – World Bank.
- SE4ALL.
- We Mean Business.
- Green Growth Platform
- European Climate Foundation
- IRENA Coalition for Action
- World Business Council of Sustainable Development (WBCSD).
- UN Global Compact LEAD.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Mandatory climate-related reporting

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Carbon reporting should be compulsory for big companies.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

ISO 14064 external verification since 2010. Participation in European Commission pilot project.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Cap and trade)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Recognition of the important role of cap&trade to tackle the decarbonisation of EU energy model. In the context of EU ETS, long term goals are essential to provide a CO2 price which consolidates as a signal to the investment in low carbon technologies. A strong carbon price signal able to encourage investments in decarbonisation. To reinforce this signal, through a carbon price floor should be explored to bring visibility and stability to investors.

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

Please select

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Iberdrola participates in the EU ETS. As a stakeholder, Iberdrola plays an active role in the EU regulatory dialogue regarding cap and trade structural design and rules, specifically in the review of the Directive of the EU-ETS and in the Effort Sharing Decision. Iberdrola is also member of the Carbon Pricing Leadership Coalition, a multilateral partnership, that promotes robust carbon pricing mechanisms as a climate action tool.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Carbon tax

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Carbon tax should be an element of a rigorous Environmental Tax Reform, which would cover all sectors, including transport, heating and cooling. Part of the Transport sector (road transport, diesel rail and inland waterway, which cover 33% of the non ETS emissions) is not so far covered by EU ETS. This sector currently contributes to a quarter of the total EU GHG emissions and its share is growing since this is the only EU sector where the emissions have risen since 1990. At the same time, some of the energy sources of heating; cooling are not covered by the EU ETS, despite of the fact that it represents the highest share final energy consumption in EU (over 50%). The so called "Fit for 55" package released by European Commission in July 2021 has already proposed an expanded ETS to transport and buildings. It will be some of the main policy package to be negotiated at EU level in the coming years.

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

Please select

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Iberdrola operates throughout markets where there are carbon price instruments equivalent to a carbon tax (EU ETS, UK ETS...). Iberdrola is also member of the Carbon Pricing Leadership Coalition, a multilateral partnership, that promotes robust carbon pricing mechanisms as a climate action tool.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Energy Efficiency)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Energy efficiency (EE) is one of the main targets to tackle energy model challenges. Electrification of economy is the most important element for the improvement of energy efficiency, due to competitive and technical advantages of the electricity sector to introduce EE measures. Energy price signal (e.g. taxation), information, and standards are proved to be the most efficient and effective tools to mitigate barriers and market failures that prevent market to provide the optimal level of energy efficiency investments.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Iberdrola has created its own Energy Services Company (ESCO) ,to deploy specific actions in the field of efficiency, together with other suppliers in Iberdrola Group who plays and active role in the regulatory dialogue at international and national level.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Clean Energy generation)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Iberdrola is one of the largest electricity companies in the world and a global leader in wind power. We have achieved this position by strengthening our commitment to sustainable development and care for the environment using cleaner technologies with the lowest CO2 emission levels. The Company proposes an efficient energy mix, based on efficient renewable energy, combined cycle gas turbines, and nuclear. Iberdrola current energy mix is 79% free of carbon emissions and plans to become carbon neutral before 2050.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Iberdrola was founded at the beginning of the past century based on hydroelectric power and 20 years ago pre-empted the rest of the sector with a focus on renewables that has made it world leader in wind power and pioneer in measures to combat climate change.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Governments should set global strategies to promote adaptation resilience across all economy sectors. Iberdrola's contribution to the new Spanish National Adaptation Plan and the EU adaptation strategy has highlighted the relevance of providing accessible and user friendly tools in order to get homogeneous information on climate scenarios and common metrics that allow a comparison between regions as well as risks prioritization. In addition, for better addressing extreme events, an area of analysis shall be global (systemic) action plans versus individual action at asset level to understand effectiveness and efficiencies achieved. Furthermore, the need of specific financial instruments that encourage investment, especially in the private sector, where measures such as direct subsidies or favourable taxation has been also included. The relevance of the energy sector in the new energetic context and its contribution to socio-economic resilience has been strongly highlighted.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Iberdrola plays and active role in the regulatory dialogue at international and national level. Building on previous engagements like the collaboration with the United States Department of Energy's (DOE) Partnership for Energy Sector Climate Resilience program, or in the UK the Adaptation Reporting Power, Iberdrola is following and engaging in the EU regulatory dialogue regarding the review of the EU adaptation strategy, as well as giving input with its views to the new Spanish National Adaptation Plan approved in September 2020.

- Iberdrola is member of the private-led Coalition for Climate Resilient Investment (CCRI) since 2021, a coalition launched in 2019 at the UN Climate Action Summit with Convening Partners Convening Partners, the Global Commission on Adaptation, the UK Government, the World Economic Forum and the World Resources Institute that is developing better understanding and management capacities of physical risks. CCRI is member of Race to Resilience campaign.

- Iberdrola is also collaborating since 2021 with the Global Center on Adaptation (GCA), specifically in its Youth Leadership Program to make young people central to driving adaptation agenda and implementation worldwide.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Climate finance)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

In general terms, finance is one of the main elements to tackle climate change. Iberdrola is fully involved in the main policy conversations to promote sustainable finance. It is especially remarkable the participation of Iberdrola in the Technical Expert Group on Sustainable Finance at EU, that has been deeply involved in the developing on the EU taxonomy for climate change mitigation and climate change adaptation. Additionally, Iberdrola has been really involved in working groups that support ambitious approaches on sustainable finance within its activities in organizations such as OECD, UN Global Compact or Corporate Leaders Group. Within climate advocacy activities, the company has engaged at the highest level with the main action streams (mitigation, energy transition, just transition...) and joined some of the most relevant pledges such as the Business Ambition 1.5°C declaration, aimed at aligning business activities with limiting global temperature rise to 1.5°C above pre-industrial levels, and the Just Transition and Decent Jobs Pledge, encouraging companies to following ILO core labour standards with respect to our own employees, and use contractors who also comply with these standards.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Iberdrola plays and active role in the regulatory dialogue at international and national level.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Assumption Environm. costs internally)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Active participation in national and international forums. For instance, WEF Summit in Davos, High-level Climate Summits in the context of the UN General Assembly, different COPs, Climate Dialogues and Race to Zero Dialogues in 2020 . Our Chairman and CEO joined key high level panels in all of them supporting ambitious approaches in climate action (e.g. climate neutrality goal).

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Some of these principles have not been fully adopted in some of the countries in which it operates and are the subject of a social debate, in which Iberdrola participates, for their possible inclusion in regulations.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Carbon pricing)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

A strong carbon price signal based on the "polluter pays principle" and faced by the whole economy should be the main tool for driving cost-effective decarbonisation and low carbon investment. Carbon pricing will not be fully effective unless all agents are in a level playing field, removing subsidies to carbon-intensive producers because in the energy sector, subsidies to fossil fuels are five times more costly than subsidies to renewables. Additionally, technological development is making renewables compete with each other in energy uses (eg electric vehicles vs internal combustion, heatpumps vs fossil fuel based boilers), so implementing the polluter pays principle is even more critical. Additionally carbon pricing can generate revenues to fund the energy transition and compensate unwanted impacts on vulnerable communities.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Iberdrola is member of Carbon Pricing Leadership Coalition - CPLC (World Bank), and in 2021 it endorsed its call to action in the context of COP26 for a realistic and inclusive carbon pricing. We believe that is necessary to put in place the right incentives, in electricity and in all other sectors, to invest and consume in low carbon technologies. This will move from the current model that rewards polluters to a new system based on the principle "polluter pays". The most efficient tool to achieve this goal is putting a price on carbon, as it provides technology-neutral incentives, promotes the most efficient clean production sources and can generate revenues.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Climate events in the context of the UN General Assembly and the New York Climate Week)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Iberdrola was the only Spanish company to take part in the debates on the state of multilateralism at the highest level and was present in the main declarations assumed by the private sector on matters of climate, sustainability and global cooperation. The chairman of the group, Ignacio Galán, joined the manifesto of business leaders for renewed global cooperation, promoted by the United Nations Global Compact to encourage progress towards a more equitable, inclusive and sustainable world. Iberdrola also supported the European Commission (EC) proposal to step up climate ambition and reduce greenhouse gas emissions by at least 55 % by 2030.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Leadership in the Summits organized under the UN auspices in the context of the General Assembly in September 2021.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (European Green Deal and the 55% emission reduction goal by 2030 at EU level)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Iberdrola was one of the leading companies that publicly endorsed the European Green Deal and the EU climate neutrality target by 2050. Within the roadmap towards climate neutrality, Iberdrola has advocated for an ambitious approach to fully decarbonize the energy sector at EU level by 2050 as a source of opportunities. In

collaboration with the Afry consulting group, it has been developed a thorough assessment of this transition towards a decarbonized energy sector at EU level. This report was launched at a high level webinar with the participation of the European Commission, co-organized with Euractiv in June 2020. Iberdrola was also one of the 170 business and investors that urged the EU to raise EU 2030 GHG emissions targets to at least 55%.

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

Europe

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Support to the European Green Deal presentation by the European Commission and to an ambitious approach at EU level to set a 55% emission reduction target by 2030.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Fit for 55" (Policy package to meet 55% emission reduction goal by 2030 in the EU))

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Support provided to increase ambition and action, particularly in relation to the Renewable Energy Directive, Energy Efficiency Directive and EU Emissions Trading Scheme, to deliver on the EU's targets remains critical.

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

Europe

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Participation in public consultations launched by EU Commission.

Participation in Statements and Declarations (e.g. <https://www.corporateleadersgroup.com/news/clg-europe-business-letter-on-the-upcoming-eu-fit-for-55-package>)

Public outreach in events and communications.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Eurelectric

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Eurelectric in Europe, decarbonisation in 2050.

We are participating focused on clean energy promotion instead of the general rule of coal generation in Europe. Members of Groups relating Climate Change are committed to design the energy roadmap in order to decarbonise European utilities.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Transparency Register)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Created by European institutions to give adequate transparency to the relations of such institutions with companies, NGOs, citizens' associations, think tanks, among others.

In February 2012, Iberdrola registered within the Transparency Register. Existence of government and regulatory support mechanisms to facilitate the implementation of these programmes and help achieve the global targets. The company is also engaged by the input from expert stakeholders to the sustainability report.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Call of eight leading energy companies to EU leaders for a revitalized energy policy)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The eight energy companies agreed on a joint statement to underline the seriousness of the current challenges facing European carbon market able to support climate-friendly technologies and in which a reliable perspective is provided, notably, by establishing ambitious but realistic and stable post-2020 greenhouse gas emissions targets. Iberdrola has supported the event. Information published in Iberdrola's webpage.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (UN Global Compact Lead)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

By bringing companies together with relevant experts and stakeholders, Global Compact LEAD provides a collaborative space to generate and implement advanced corporate sustainability practice. As an integral part of the United Nations and the UN Global Compact, LEAD is uniquely positioned to inspire widespread uptake of sustainability solutions among businesses around the world.

Iberdrola takes an active part in this Group, especially as patron of UN GC Climate Action Platform.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Race to Zero)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Iberdrola was one of the first companies to join this international alliance, launched by UN Climate Champions in 2020. One of the key action streams consisted in supporting the spread of robust and science-based net zero commitments across civil society. Iberdrola has been engaged with the organization, supporting key agenda milestones (COP, UNGA events...) and campaigns (e.g., Race to Zero Breakthroughs, sectoral decarbonization roadmaps...)

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Business Ambition for 1.5°C)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

• Active participation in the main platforms and initiatives at the global level, including:

The Business Ambition for 1.5°C in support of the goal of net-zero emissions

by 2050.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (The climate action platformUN Global Compact Just Transition Think Lab ("Caring for Climate"))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Active participation in the main platforms and initiatives at the global level, including: The climate action platformJust Transition Think Lab ("Caring for Climate"), in which Iberdrola has been

a main partner since its creation..., engaging with UN Global Compact and the rest of partners to frame its programs and working plans and reinforce its outreach activities.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

WindEurope

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

SolarPower Europe

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Iberdrola Renovables

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Different Initiatives)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

Please select

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

the Climate Group EV100, SteelZero, Corporate Leaders' Group, Alliance of CEO Climate Leaders WEF, The Powering Past Coal Alliance, European Climate Foundation, Carbon Pricing Leadership Coalition – World Bank, SE4ALL, We Mean Business, Green Growth Platform, European Climate Foundation, IRENA Coalition for Action, World Business Council of Sustainable Development (WBCSD), UN Global Compact LEAD, European Energy Forum, EDSO for Smart Grids, Aelec, EASE.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Corporate Leaders Group)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Very intense involvement in all its campaigns and close relationship with its management team:

- net zero emissions by 2050 at the latest (EU and UK).
- Reduction of at least 55% emissions by 2030 (Europe).
- Ambitious targets on the development of renewables, energy efficiency, innovation and low-carbon technologies, adaptation and resilience actions.
- circular economy and just transition that generates growth and competitiveness.

As an example of this involvement, Iberdrola supported, at the highest level, the following declaration: Business leaders call on EU for effective and coherent "Fit for 55% package" to deliver EU leadership on climate and the net zero transition.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Spanish Green Growth Group (SGGG))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The aim of this Group is increasing participation of companies, sharing information, identifying opportunities and supporting Spanish presence in international forums. Main Spanish companies belong to this Group which was created by the Spanish Ministry for Agriculture, Alimentation and Environment. Iberdrola is present in this Group since its creation in September 2014. It is one of the few utilities present. Iberdrola holds the vice-presidency of the Group and coordinates the climate policy working group.

The Group is an association made up of more than 50 companies of various sizes and profiles in which we share an ambitious approach when it comes to addressing environmental challenges.

Large companies that represent 40% of the IBEX are part of it, as well as SMEs involved in innovation, with a total of 250,000 workers.

Objectives and work areas:

- Promote public-private collaboration to advance jointly on environmental challenges
- Contribute to the generation and dissemination of the knowledge necessary for sustainable development
- Influencing the creation of favorable conditions for a low carbon economy
- Collaborate in the protection of biodiversity, air, soil and water quality
- Influencing the policies that allow the necessary changes to be activated

Some remarkable examples of climate advocacy projects within this group are related to:

- European Green Deal (net zero emissions 2050 / Fit for 55).
- European and Spanish climate law.
- Integrated Energy and Climate Plan 2030, Emissions Reduction Strategy to 2050...

Iberdrola is currently chairing the SGGG.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization

Other, please specify (Lobbying, interest representation or similar)

State the organization to which you provided funding

EURELECTRIC, WindEurope, European Energy Forum, EDSO for Smart Grids, Aelec, EASE, Solar Power Europe...

More information: <https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=41816938101-07&locale=en#en>

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)

450000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

We answer (directly or indirectly - by mean of well known professional associations (EURELECTRIC, FORATOM, WINDEUROPE...)) to all the Commission Public Consultations and we inform about our position to the different MEP's involved in the corresponding part, mainly ITRE and ENVI members.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

SustainabilityReport2021.pdf

Page/Section reference

All

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

IB_Annual_Financial_Information_2021.pdf

IB_Integrated_Report_2022.pdf

Page/Section reference

All

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Publication

In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

Status

Complete

Attach the document

IB_Annual_Financial_Information_2021.pdf
SustainabilityReport2021.pdf

Page/Section reference

All

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Iberdrola supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to disclose financial information relating to climate change. The company believes that this initiative will facilitate Stakeholders' evaluation of the risks and opportunities arising from climate change. For these reasons, in September 2017, Iberdrola joined a group of ten companies that were the first to assume the commitment to implement the recommendations of the TCFD within a period of three years.

Publication

In voluntary communications

Status

Complete

Attach the document

Page/Section reference

All

Content elements

Strategy
Emissions figures
Emission targets

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>At Iberdrola, we have made conservation and promoting biodiversity part of the group's strategy to build an energy model in harmony with nature and human beings. Since 2007, Iberdrola has had a Biodiversity Policy, approved by its Board of Directors, in which it commits to integrating biodiversity protection and conservation into decision-making during the planning, implementation and operation stages of its energy infrastructures. This commitment also encompasses actions that contribute toward biodiversity conservation and awareness-raising on the importance of this matter.</p> <p>Iberdrola integrates biodiversity protection and conservation into its Environmental Management System, which applies across the whole Iberdrola group. This environmental management system is common to all organisations within the Group and integrates the Sustainable Development Goals into its environmental guidelines. The biodiversity and environmental commitments acquired are thus transposed into group organisations' environmental management systems, most of them certified (EMAS or ISO 14001), which come under the group's global management system. In these management systems, group organisations define their continual improvement objectives in relation to biodiversity, which materialise in environmental monitoring and control programmes and concrete actions aligned with Action Plan principles. Iberdrola has biodiversity committees to coordinate actions and programmes for both new and existing facilities, in which the various operational organisations discuss day-to-day management issues and push forward initiatives. Finally, the group's stakeholder relations model helps the organisations integrate stakeholder needs into the decision-making process.</p>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	<p>Commitment to Net Positive Gain</p> <p>Commitment to respect legally designated protected areas</p> <p>Commitment to avoidance of negative impacts on threatened and protected species</p>	<p>CBD – Global Biodiversity Framework</p> <p>SDG</p> <p>Other, please specify (Business for Nature Business and Biodiversity 1TOrg)</p>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Law & policy Livelihood, economic & other incentives Other, please specify (Implementing corporate metrics to provide a biodiversity accountability framework)

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Pressure indicators Response indicators

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Governance Impacts on biodiversity Details on biodiversity indicators Risks and opportunities Biodiversity strategy	Sustainability Report, pag 62, 93-101. gsm22_IA_SustainabilityReport2021.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments	Biodiversity Policy: Whole document biodiversity_policy.pdf
In voluntary sustainability report or other voluntary communications	Governance Impacts on biodiversity Details on biodiversity indicators Influence on public policy and lobbying Risks and opportunities	Biodiversity Report: Whole document Biodiversity Report 2018-2019.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Influence on public policy and lobbying Risks and opportunities Biodiversity strategy	Biodiversity in our website: https://www.iberdrola.com/sustainability/environment/iberdrola-biodiversity

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Mr Agustin Delgado Chief Sustainability Officer (CSO)	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

- Iberdrola is a world leader in clean energy, focused on promoting CO2 free installed capacity in its generation mix.
- Iberdrola's emissions per kWh were already 68% lower than the average of the European electricity sector in 2020; Source: European carbon factor Benchmarking of CO2 emissions by Europe's largest electricity utilities (October 2021, PwC) .
- Iberdrola is the world leader in renewable energies, smart grids and electric vehicle development and top of the main sustainability indices.
- Iberdrola commits to reduce absolute Scope 1, 2 and 3 GHG emissions by 2030 from a 2017 base-year. Validated by Science Based Targets initiative (SBTi). Iberdrola commits to be carbon neutral before 2050.
- Iberdrola commits to reduce the intensity of CO2 emissions up to 50 gCO2/kWh by 2030, which represents a reduction of 73% since 2015.
- Iberdrola operates in more than 40 countries and has over 34 million customers. At Iberdrola, we have spent more than 150 years moving forward in a single direction. We have created an industrial growth project sustainable in the long term, by focusing on the core business, on stable activities and growth through a balanced business portfolio, on leadership in wind power, on operating efficiency and on financial soundness, becoming a number one worldwide energy group.
- Iberdrola's indexes and data of sustainability: <https://www.iberdrola.com/sustainability/sustainable-management/indexes-data-sustainability>

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	39114000000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Cellnex Telecom SA

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions

Electricity generated by Iberdrola, consumed by Cellnex Telecom SA.

Verified

Yes

Allocation method

Other, please specify (We don't allocate emissions per customer)

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting member

Pirelli

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e**Uncertainty (±%)****Major sources of emissions**

Electricity generated by Iberdrola, consumed by Pirelli.

Verified

Yes

Allocation method

Other, please specify (We don't allocate emissions per customer)

Market value or quantity of goods/services supplied to the requesting member**Unit for market value or quantity of goods/services supplied**

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting member

Renault Group

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e**Uncertainty (±%)****Major sources of emissions**

Electricity generated by Iberdrola, consumed by Renault Group.

Verified

Yes

Allocation method

Other, please specify (We don't allocate emissions per customer)

Market value or quantity of goods/services supplied to the requesting member**Unit for market value or quantity of goods/services supplied**

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting member

SABIC

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e**Uncertainty (±%)****Major sources of emissions**

Electricity generated by Iberdrola, consumed by SABIC.

Verified

Yes

Allocation method

Other, please specify (We don't allocate emissions per customer)

Market value or quantity of goods/services supplied to the requesting member**Unit for market value or quantity of goods/services supplied**

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting member

Senior Plc

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions

Electricity generated by Iberdrola, consumed by Senior Plc

Verified

Please select

Allocation method

Other, please specify (We don't allocate emissions per customer)

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting member

Vodafone Group

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions

Electricity generated by Iberdrola, consumed by Vodafone Group.

Verified

Please select

Allocation method

Other, please specify (We don't allocate emissions per customer)

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Iberdrola's GHG Inventory is publicly available, covering Scopes 1, 2, and 3.

<https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory>

Specific emissions from global mix (kg/MWh) in Sustainability Report, pag 75: https://www.iberdrola.com/documents/20125/1606413/gsm22_IA_SustainabilityReport2021.pdf and in our Sustainability Scorecard: <https://www.iberdrola.com/sustainability/sustainable-management/sustainability-scorecard>

Historic specific emissions available in: <https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory/intensity-emissions>

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	- Customers who are asking for this information in CDP could ask for detailed track emissions prior starting the reporting year. - Customer could provide contract details ideally to be included in this scope as: contract numbers, kind of products, uses for that products, location where our products are consumed.
Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult	- Customer could provide contract details ideally to be included in this scope as: location where our products are consumed.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Through smart meters and digitalisation of information, it would be easier to allocate consumed electricity to each customer, and with such information, we will be able to allocate CO2 emissions to them.

Also further analysis of our supply chain GHG emissions related to use of sold products would provide more information.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member

Cellnex Telecom SA

Group type of project

Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project

Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

0-1 year

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member

Pirelli

Group type of project

Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project

Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

0-1 year

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal

Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member

Renault Group

Group type of project

Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project

Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

0-1 year

Estimated lifetime CO2e savings**Estimated payback**

Please select

Details of proposal

Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member

SABIC

Group type of project

Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project

Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

0-1 year

Estimated lifetime CO2e savings**Estimated payback**

Please select

Details of proposal

Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member

Senior Plc

Group type of project

Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project

Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

0-1 year

Estimated lifetime CO2e savings**Estimated payback**

Please select

Details of proposal

Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member

Vodafone Group

Group type of project

Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project

Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

0-1 year

Estimated lifetime CO2e savings**Estimated payback**

Please select

Details of proposal

Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Yes, I will provide data

SC4.1a

(SC4.1a) Give the overall percentage of total emissions, for all Scopes, that are covered by these products.

19.26

SC4.2a

(SC4.2a) Complete the following table for the goods/services for which you want to provide data.

Name of good/ service

Energy - electricity

Description of good/ service

Energy produced to final customer

Type of product

Final

SKU (Stock Keeping Unit)

MWh

Total emissions in kg CO2e per unit

96

±% change from previous figure supplied

-2

Date of previous figure supplied

December 31 2020

Explanation of change

Increase in investment in renewable energies and commitment to energy efficiency.

Methods used to estimate lifecycle emissions

Other, please specify (ISO 14064-1)

SC4.2b

(SC4.2b) Complete the following table with data for lifecycle stages of your goods and/or services.

Name of good/ service

Energy - electricity

Please select the scope

Scope 1

Please select the lifecycle stage

Energy/Fuel

Emissions at the lifecycle stage in kg CO2e per unit

0.096

Is this stage under your ownership or control?

Yes

Type of data used

Primary

Data quality

Emissions verified

If you are verifying/assuring this product emission data, please tell us how

Emissions verified in GHG Report 2021

SC4.2c

(SC4.2c) Please detail emissions reduction initiatives completed or planned for this product.

Name of good/ service	Initiative ID	Description of initiative	Completed or planned	Emission reductions in kg CO2e per unit
Electricity	Initiative 1	Emissions reductions initiatives. Reduce the intensity of CO2 of emissios 73% by 2030 compared to 2015 and to become carbon neutral before 2050.	Ongoing	0.13

SC4.2d

(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?

No

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

Please confirm below

I have read and accept the applicable Terms