



Iberdrola



Environmental Footprint Report

2023
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Report

**Environmental
Footprint**



2023

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01

Introduction

1. Introduction

Iberdrola publishes its Corporate Environmental Footprint (CEF) report with the purpose of reporting on its environmental behaviour from a life cycle perspective.

The Corporate Environmental Footprint is a multi-criteria measure of a company's environmental behaviour and is based on a compilation and evaluation of the inputs, outputs and potential environmental impacts of the activities associated with the company's portfolio of goods and/or services, including the supply chain.

This report presents the results of the calculation of the CEF in 2023 with the following considerations:

- It includes the impacts of the activities of the entire Iberdrola group: Iberdrola España, ScottishPower, Avangrid, Neoenergia, Iberdrola México, Iberdrola Energía Internacional (Germany, Australia, Cyprus, France, Greece, Hungary, Italy, Poland, Portugal and Romania).
- The consolidation of the impacts of the CEF, which establishes the organisational limits for its evaluation, is addressed from the **operational control approach**¹.
- Iberdrola, in the reporting criteria for its generation assets, distinguishes between **“own” production and installed capacity** and **“for third parties” production and installed capacity**.

The organisation responsible for preparing this report is the Corporate Environment department, within the Innovation and Sustainability Department of Iberdrola SA.

The report has been prepared in accordance with the requirements established in the ISO/TS 14072:2014 Standard *“Environmental management -- Life cycle assessment -- Requirements and guidelines for organisational life cycle assessment”* and the document *“Specification for the calculation of the Corporate Environmental Footprint. (Organisational life cycle analysis). April 2023”*².

The verification of the aspects of the Corporate Environmental Footprint has been carried out with a **limited assurance commitment**.

¹ With the exception of nuclear power plants, cogeneration plants in Spain and hydropower plants in Brazil, which are accounted for under a participation fee, in line with the Sustainability Report (participation fee according to the Consolidated Annual Accounts Report for the year).

² Iberdrola internal document.



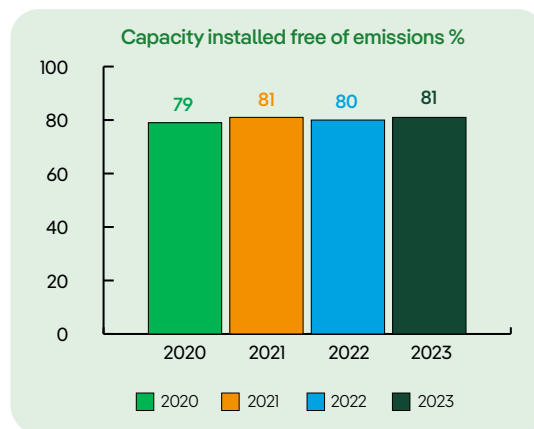
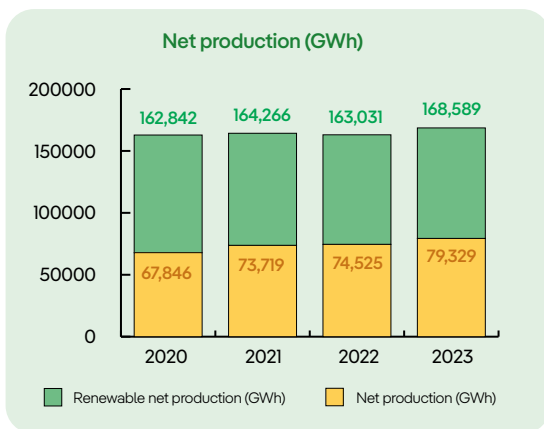
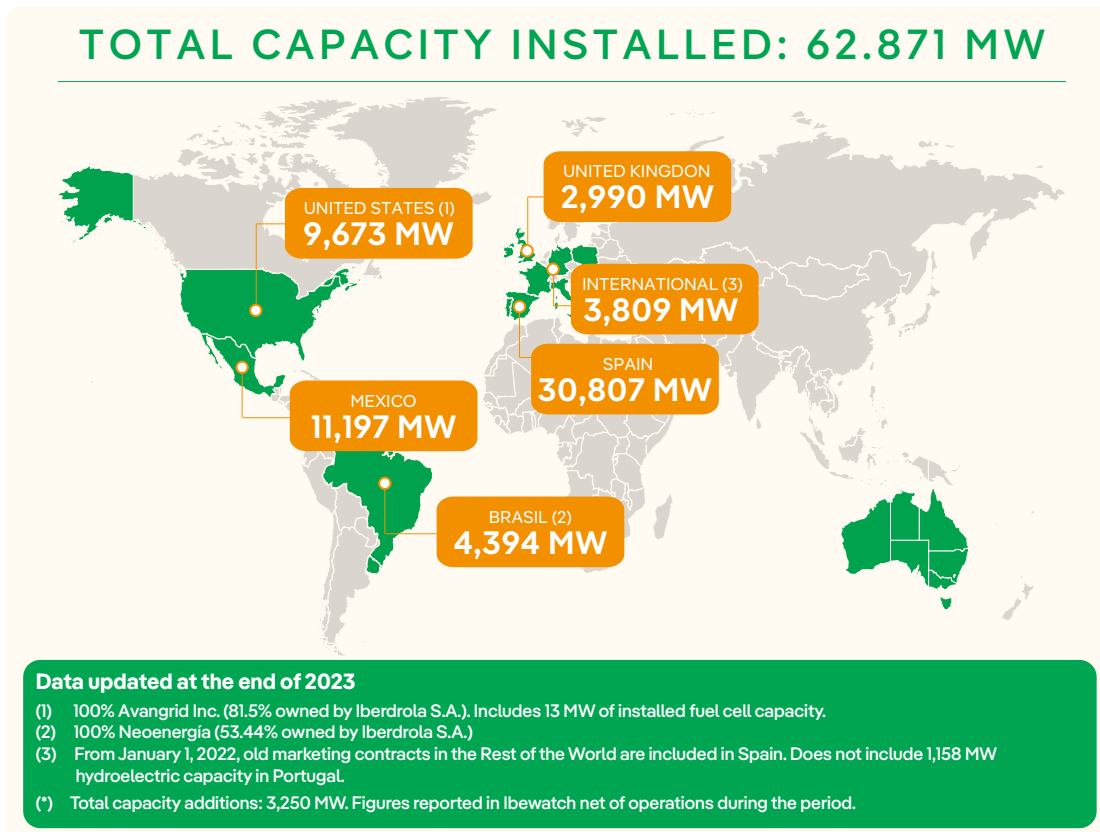
02

The energy of the future

2. The energy of the future

The Iberdrola Group is today a global energy leader that has been two decades ahead of the energy transition to combat climate change and offer a sustainable and competitive business model that creates value for society. Iberdrola has been committed on clean energy for more than 20 years with the goal of exceeding 52,000 MW of renewable capacity by 2025.

We closed fiscal year 2023 with 42,175 green MW installed. In the last 12 months we have added 3,250 new renewable MW, which represents almost 8% of the 2022 capacity.



The growth in renewable production has been led by wind energy, reaching 22,676 MW installed at the end of the year, after incorporating 655 new MW of onshore wind and connecting a new offshore wind farm in France (Saint-Brieuc) to the grid.



03

Purpose

3. Purpose

The Corporate Environmental Footprint is part of the company's environmental management model, whose ultimate objective is to align the environmental dimension within the company's sustainability model, integrating the universality of service, safety, competitiveness, energy efficiency and reduction of the company's environmental impacts.

The calculation of the Corporate Environmental Footprint at Iberdrola means for the Group:

- Transparency, coherence and credibility in environmental management.
- Improving the analysis of environmental performance and the consequent identification of opportunities to reduce environmental impacts.
- A drive for innovation and continuous improvement in business in the pursuit of strengthening environmental management.
- Recognition of the company for its efforts in the fight against climate change, the destruction of the ozone layer, the protection of the biodiversity of the environments where we operate and the depletion of natural resources.

The general objectives set by Iberdrola's CEF are:

- Identify, evaluate and interpret the meaning of **environmental aspects and impacts** related to management systems, as defined in the ISO 14001:2015 standard.
- Be a strategic tool for **comprehensive environmental evaluation**, which can lead to the adoption of management decisions that relate business competitiveness with the management of the environmental variable.
- Be a **tool for decision-making**, in order to prioritise actions aimed at reducing the most relevant environmental impacts of the organisation.
- Help **monitor the performance** of the organisation and allow traceability of environmental improvements.
- Inform interested parties of the **evolution of the organisation's environmental impacts** over a given period of time.
- Be a **communication tool** for interest groups.



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Scope

4. Scope

4.1 Organisation Boundaries

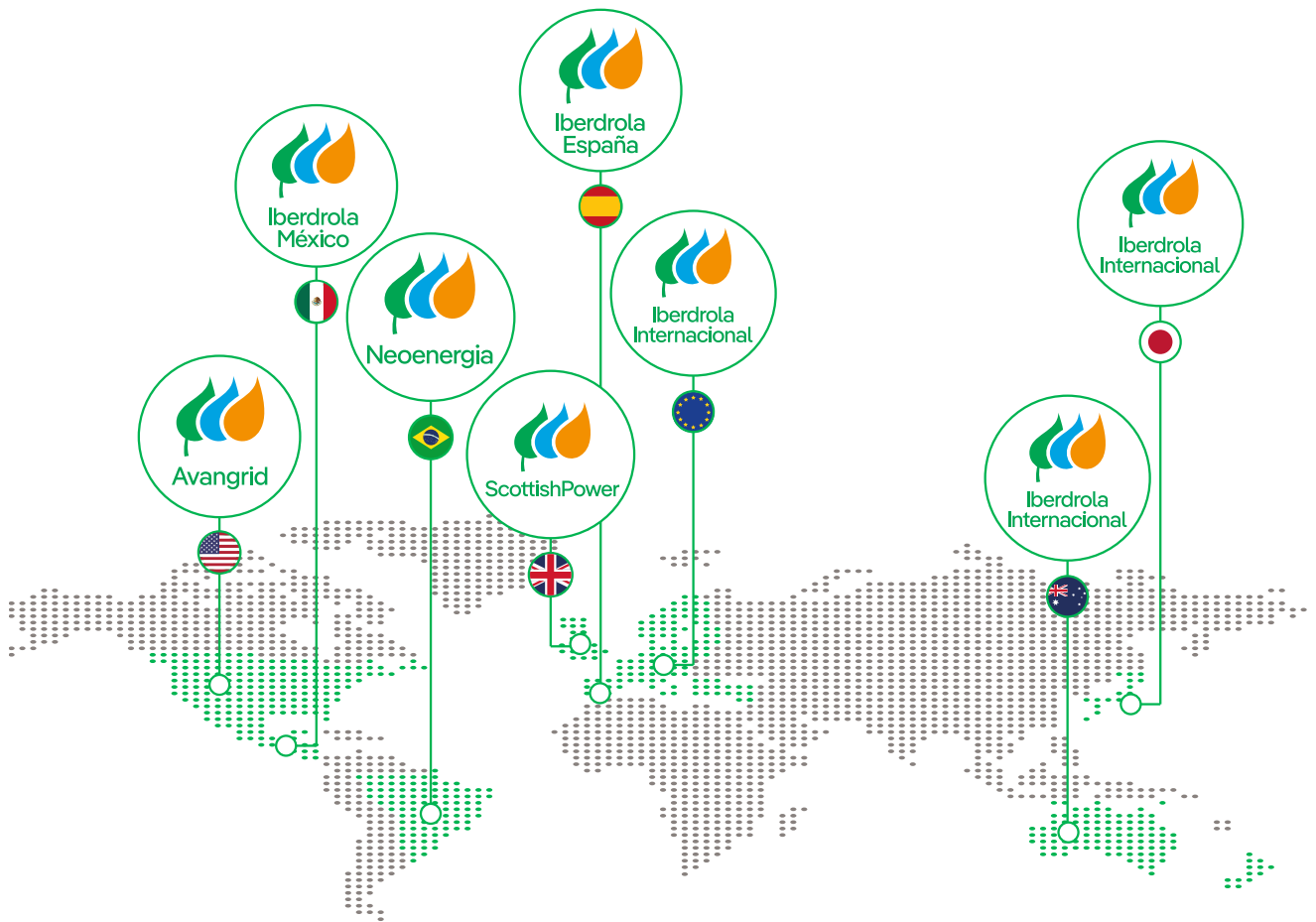
The consolidation of the inputs and outputs of the life cycle inventory in Iberdrola's Corporate Environmental Footprint is addressed, as in the calculation of the Carbon Footprint, from the operational control approach, as indicated in the considerations of the introduction of this report.

Iberdrola has sought to identify and adapt to the needs of each of the countries in which it operates. The company has taken advantage of the experiences of each market to reinforce brand values and, beyond the location of the business, has created a brand culture based on global-local balance.

The information included in the scope of the life cycle inventory of the Corporate Environmental Footprint is that corresponding to the corporate structure of the Group, which is made up of the Company, the subholding companies and the head of business companies.

- Iberdrola SA
- Iberdrola Spain (Spain)
- ScottishPower (United Kingdom)
- Avangrid (United States of America)
- Neoenergia (Brazil)
- Iberdrola Mexico (Mexico)
- Iberdrola Energía Internacional (carrying out the inventory for the countries: Germany, Australia, Cyprus, France, Greece, Hungary, Italy, Poland, Portugal and Romania).³

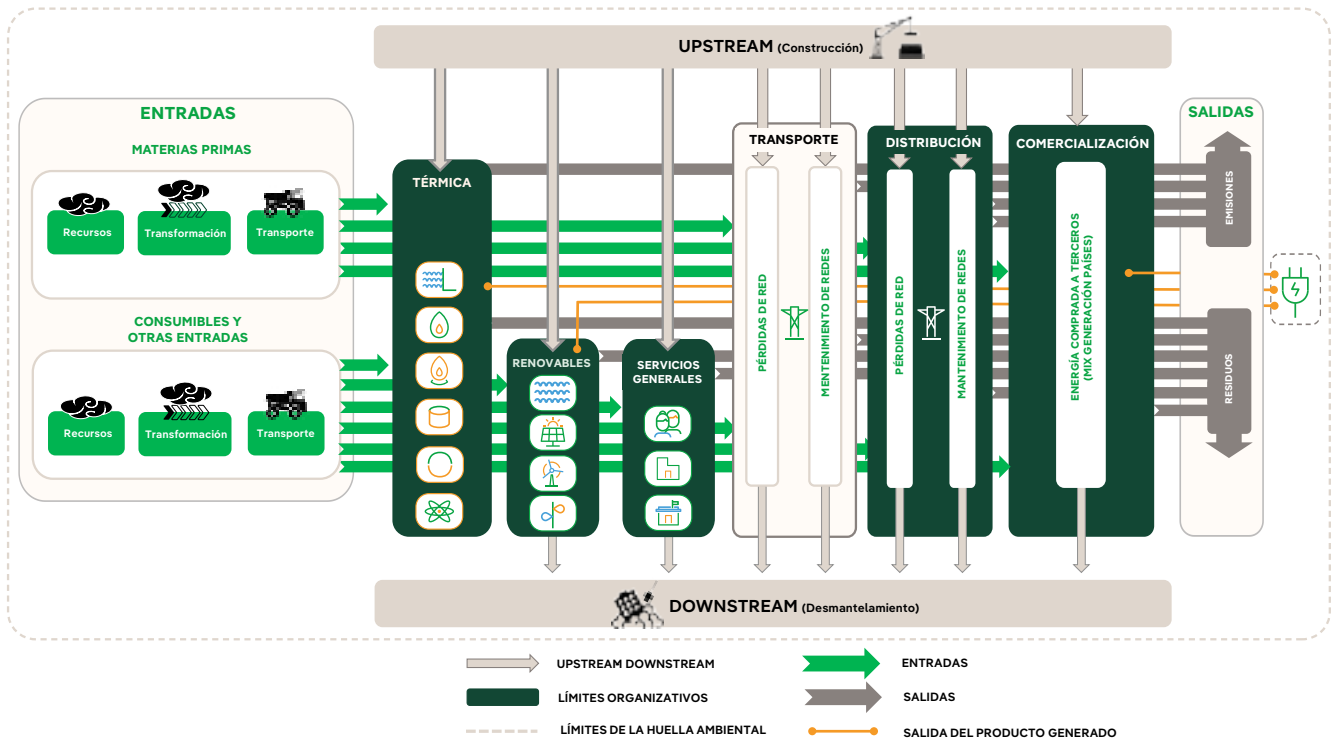
³. The rest of the countries that are part of IEI are not currently considered in this inventory due to their low relevance.



4.2. System Limits

The analysis carried out to calculate Iberdrola’s CEF is from the cradle to the grave. Infrastructure construction and decommissioning activities are outside the limits of the report.

The following diagram shows all the stages of the electricity life cycle and details which are included, and which are not in the analysis of Iberdrola’s Corporate Environmental Footprint.



Iberdrola defines the scope of its environmental aspects analysed as direct and indirect for operations carried out within the limits of the organisation. These scopes allow us to distinguish whether the environmental impact is due to Iberdrola's own activity or is due to an activity over which the company has no control or is due to external agents.

- **Direct activities**

Impacts on sources that belong to or are controlled by the Iberdrola Group (generation, distribution and marketing and corporate services, general services; such as boilers, fleet vehicles, production process, etc.).

- **Indirect activities**

Indirect activities refer to the use of materials, energy and the impacts associated with goods or services coming from a previous stage or that take place later:

- **Associates to energy consumption:** Indirect impacts associated with the generation of electricity, steam or heat acquired for consumption in Iberdrola plants and offices.
- **Other indirect activities:** Indirect impacts that are a consequence of the company's activities, but that occur in sources that are not owned or controlled by Iberdrola. These indirect activities range from the complete life cycle of waste management to the upstream life cycle of purchased raw materials.

Tabla 1. Relationship of direct and indirect activities

ACTIVITIES	CATEGORY	
Direct Scope	Water consumption: direct consumption of withdrawn water.	
	Air emissions	
	Use of fleet cars ⁴ : direct emissions	
	Fugitive air emissions	
	Fuel consumption in buildings: direct emissions	
	Central land occupation	
	Land occupation of the powerlines	
Indirect Scope	Use of fleet cars: impact associated with energy. ⁵	
	Consumption of Energy	Electricity consumed in the plants
		Electricity losses in distribution
		Electricity consumed in offices, stations and substations
	Transport	Uso de coches de flota: ciclo de vida ⁶
		Viajes de trabajo empleados
		Transporte de empleados al trabajo (<i>Commuting</i>)
	Energy marketing	Comercialización de energía comprada a terceros
	Others categories	Fuel consumption: WTT with life cycle ⁷
		Building fuel consumption: WTT with Lifecycle ⁸
		Water consumption: consumption of mains water
		Use of consumables
		Use of chemicals
Hazardous residues		
Radioactive waste		
Non-hazardous waste		

4. Except for the electric vehicle.

5. The energy consumption of the electric and hybrid vehicle is accounted for.

6. Except emissions from use, accounted for in Direct scope.

7. Direct emissions from the use of fuels in generation are considered in the Direct Scope with Air Emissions.

8. Except emissions from use, accounted for in Direct scope.

4.3 Changes relevant to the calculation

The only significant change carried out is the recalculation of the occupied surfaces of all the plants (thermal, wind, hydraulic...).

4.4 Exclusions

This section details the exclusions made by Iberdrola in the Corporate Environmental Footprint. The excluded aspects represent less than 2% of Iberdrola's CEF and are presented below:

- Radioactive emissions in the operation phase of nuclear power plants (limitation due to the life cycle inventory database used to obtain the characterisation factors).
- Consumables whose impact on the final result of the footprint is not significant (less than 2%).
- Mobile sources from generation facilities (less than 2%).
- The aspects derived from the corporate aircraft and ships for the operation and maintenance of offshore wind farms.
- The aspects associated with the upstream and downstream (construction/decommissioning) of generation and non-generation facilities, offices and distribution and transportation lines owned by Iberdrola.
- Radioactive emissions in the operation phase of nuclear power plants.



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Functional unit and base year

5. Functional unit and base year

5.1 Functional unit

The functional unit is the reference based on which all the organisation’s activity data is collected, the entire life cycle inventory object of this analysis.

In the case of the analysis of Iberdrola’s Corporate Environmental Footprint, the reporting unit considered is:



“The activity carried out in a year by Iberdrola (generation, transmission⁹, marketing and corporate support services), accounting for all input and output aspects that occur in the organisation, both upstream and downstream, and the environmental impacts of the generation of energy from third companies for subsequent commercialisation by Iberdrola.”

These activities include the impact associated with the input and output aspects for the production, transmission and distribution of electrical energy, the transportation and commercialisation of gas, and the management of the company’s corporate support services.

5.2 Base year

The base year of this study is set at the 2019 reporting interval, reported in the 2020 report¹⁰; annual exercise in place to allow the establishment of objectives and the year-on-year evolution of Iberdrola’s Corporate Environmental Footprint.



⁹ Distribution and transportation of electricity

¹⁰ In 2020, 2019 was recalculated as the base year due to methodological changes.



06

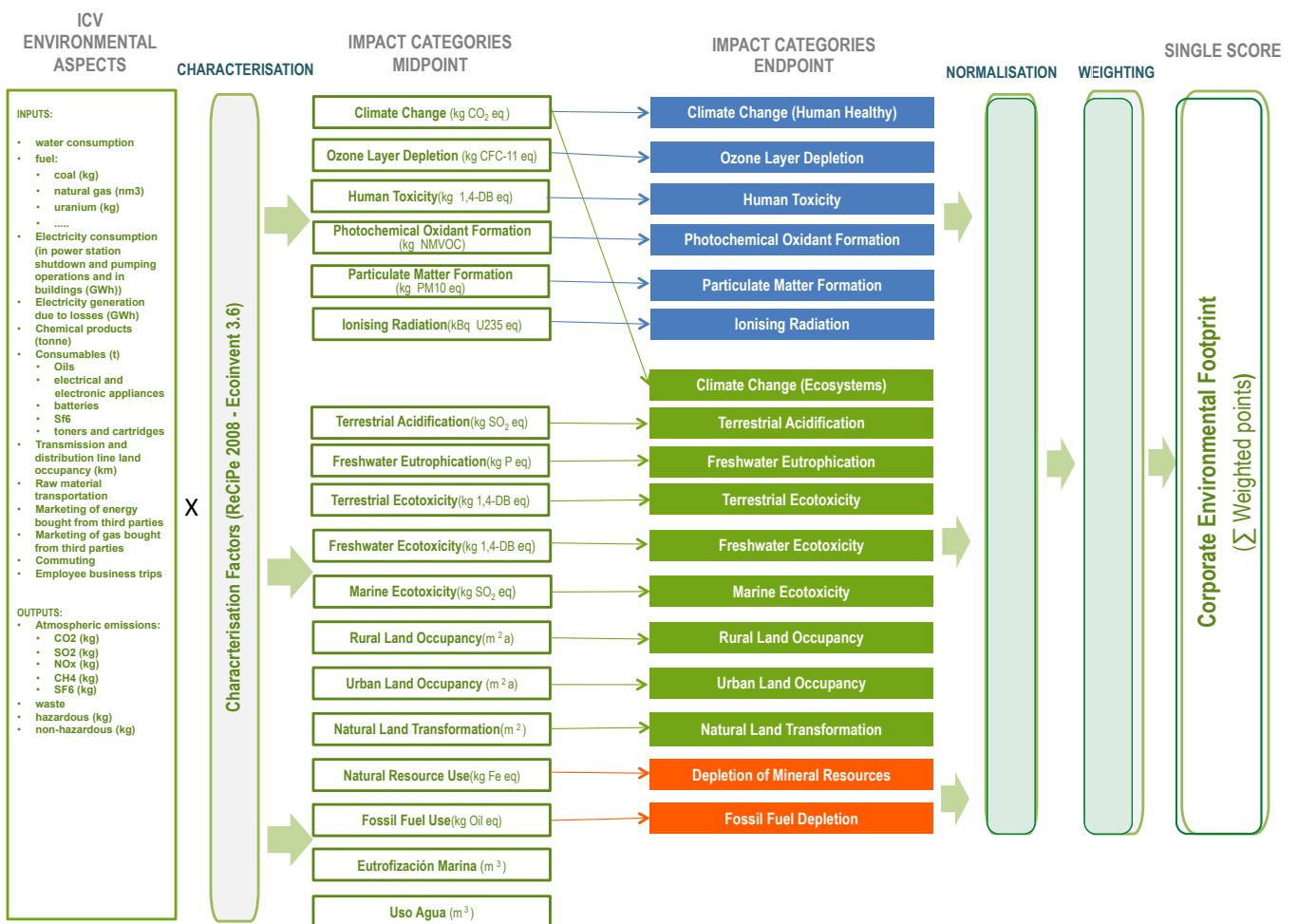
Methodology

6. Methodology

The environmental impact assessment methodology used in the calculation of Iberdrola's Corporate Environmental Footprint is the **ReCiPe methodology**¹¹, based on the *UNE-EN ISO 14040:2006* and *UNE-EN ISO 14044:2006* standards, with which the life cycle of the company's products/services is quantitatively analysed.

To interpret the results, two data formats are used, Midpoint and Endpoint, both available in the ReCiPe methodology:

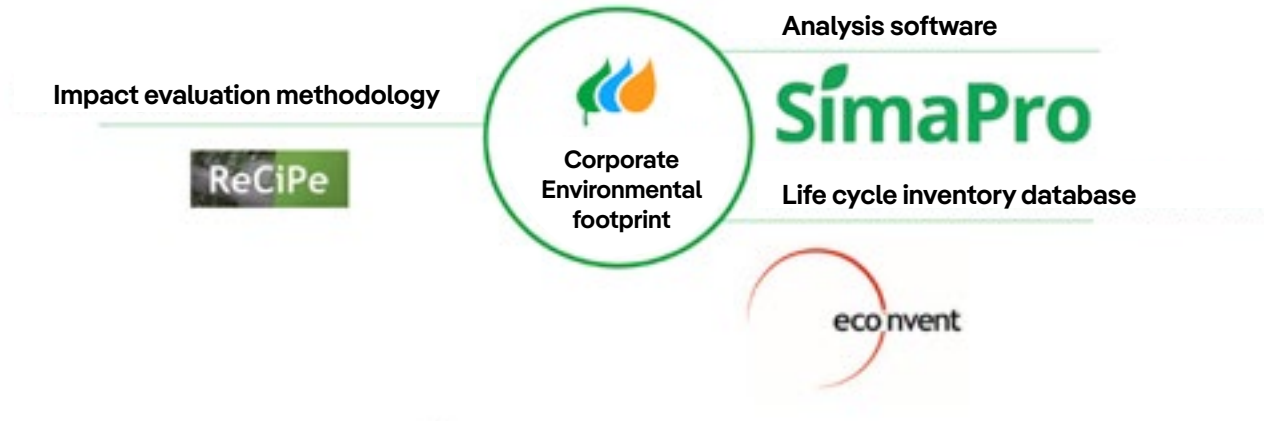
- **Midpoint:** expression format of the different categories of environmental impact based on magnitudes associated with the emission or generation parameters of the analysed environmental impact.
- **Endpoint:** expression format of the different categories of environmental impact based on the consequences that this impact can generate in the environment. This data format has lower certainty than the Midpoint format, but significantly facilitates the interpretation of results by allowing the aggregation of all environmental impact categories into a single aggregate value (based on a total environmental impact point score).



¹¹ The **ReCiPe** methodology was created by the Netherlands Ministry of Health and Environment (RIVM), the Faculty of Science at Leiden University (CML), the consulting firm PRé Consultants and the Faculty of Science at Radboud University.

The **SimaPro** ⁹¹², tool has been selected, as software that allows simulating any input or output aspect through a life cycle inventory database, to perform the necessary calculations for assigning characterisation, normalisation and weighting factors of the selected environmental impact assessment methodologies. and shows the results both in numerical values and in breakdown percentages.

Likewise, the **Ecoinvent** life cycle inventory database in its latest version has been used.



12. Developed by the Dutch consulting firm PRé Consultants.





07

Uncertainty

7. Uncertainty

The estimated uncertainty of CEF activities is a combination of the uncertainties in the characterisation factors and those in the corresponding activity data.

The characterisation factors used to carry out Iberdrola's CEF are extracted from official and specific sources for each category of sources and from the Ecoinvent database. The selection of these characterisation factors is aimed at minimising, as far as possible, uncertainty. Unless there is clear evidence to the contrary, probability density functions are assumed to be normal.

The uncertainty of the activity data is minimised given that the majority of the raw starting data, used for the calculation of the CEF, are previously verified by independent entities. These sources are ¹³:

- Non-Financial Report (Sustainability Report).
- ETS Emissions Report.
- Greenhouse Gas (GHG) Report.
- Group environmental certifications (EMAs and ISO 14001).

¹³ All data is managed and processed through the Sygris environmental management tool



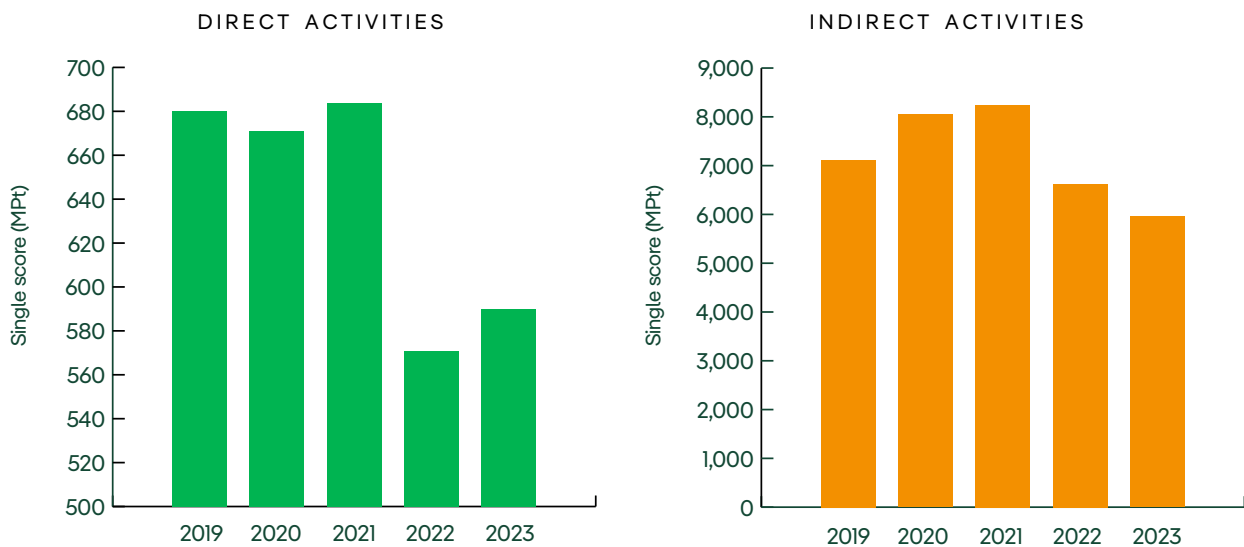
08

Corporate Environmental Footprint

8. Corporate Environmental Footprint

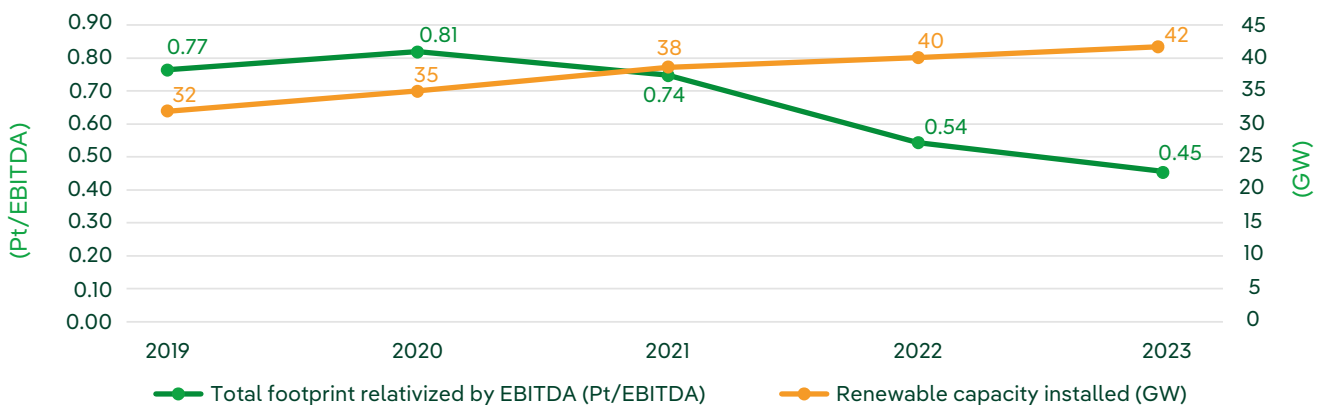
The preservation of the planet and the well-being of people are priority aspects that Iberdrola integrates into its business strategy and its business model. Nature is at the base of our economy and, without a robust, healthy and functional environment, our well-being and progress would be compromised. For this reason, decades ago, Iberdrola assumed a firm commitment to the environment, focusing its activity towards the construction of an energy model in harmony with nature and with humans, that is competitive, resilient, based on local sources, and a source of sustainable development. In short, it allows us to create value without putting the future of new generations at risk.

The result of this commitment can be seen in the following graphs, which represent the impact of its direct and indirect activities over the years.

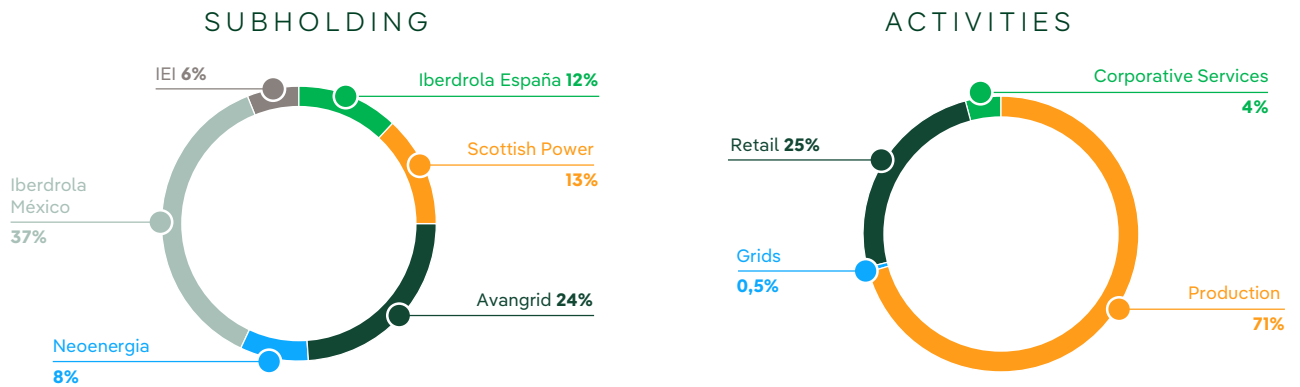


The increase in the impact of direct activities has been determined by the recalculation of the occupied surface of the generation plants.

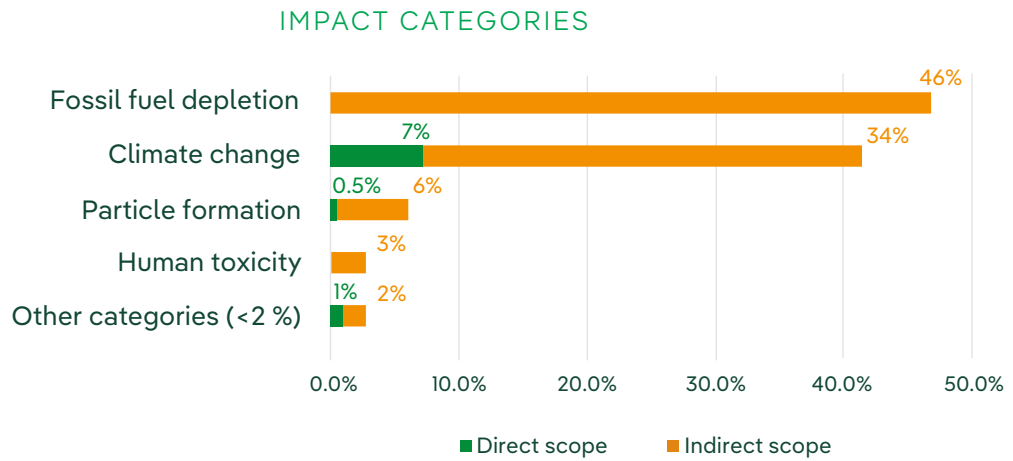
Iberdrola's strategy to increase its installed renewable capacity resulted in a reduction in the intensity of its Environmental Footprint. With an installed renewable capacity of 42 GW, the intensity of the environmental impact of Iberdrola's activities has a magnitude of 0.45 CEF points/EBITDA.



Below is the environmental profile of Iberdrola by subholding and activities in the year 2023.



Iberdrola’s environmental profile is broken down into:

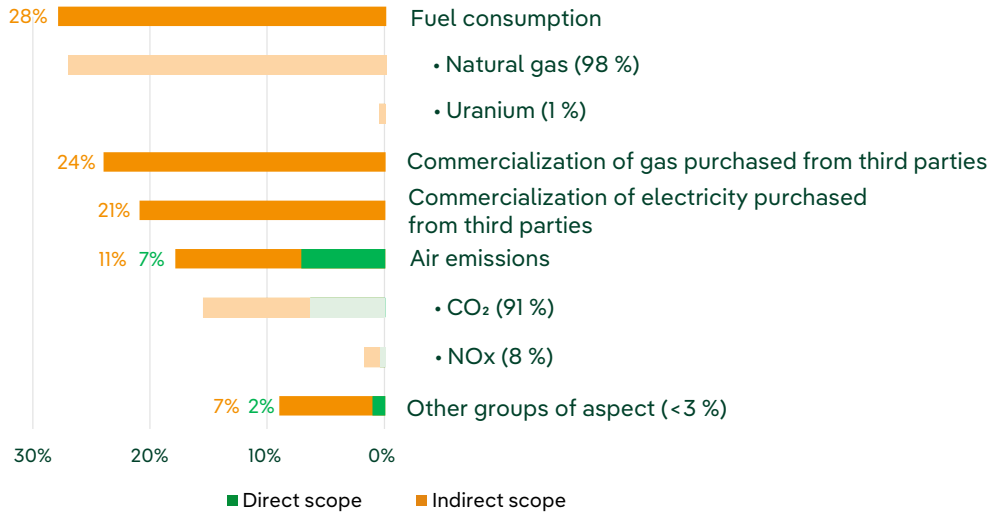


The MidPoint values of the most relevant impacts are:

Impact category	Direct reach	Indirect reach	Total	Unit
Fossil fuel depletion	0	25,852,792	25,852,792	t oil eq
Climate change	10,513,208	57,964,355	68,477,563	t CO ₂ e
Particle formation	4,407	51,134	55,542	t PM10 eq
Human toxicity	3,197	10,385,672	10,388,869	t 1.4-DB eq

The following graph shows the weighting of the groups of aspects and the most significant variables of the Environmental Footprint.

GROUP OF ASPECTS

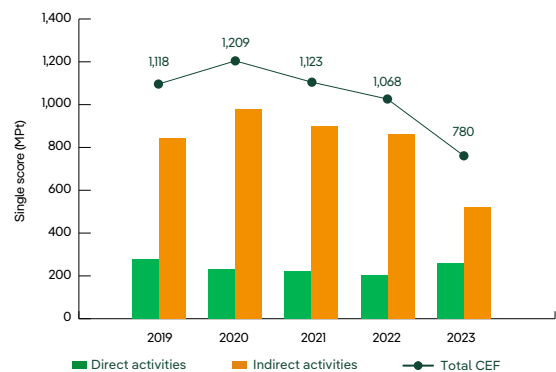


8.1 Iberdrola Spain

Iberdrola España's Environmental Footprint continues on its downward trend.

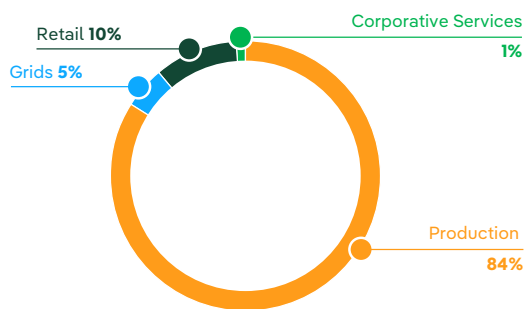
The footprint of direct activities increases slightly due to the recalculation of the occupation surface of the plants.

In indirect activities, the decrease is mainly due to the reduction in the commercialization of gas purchased from third parties and the loss of electricity in distribution.

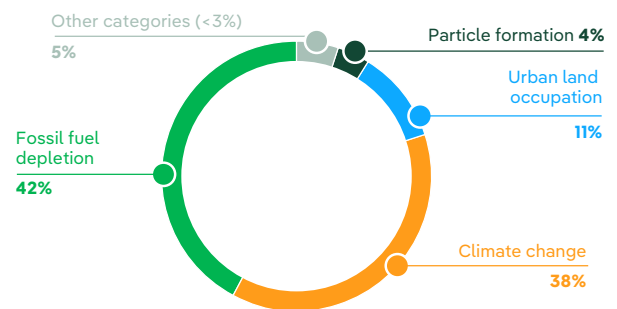


Below is the breakdown by activities, impact categories and groups of aspects:

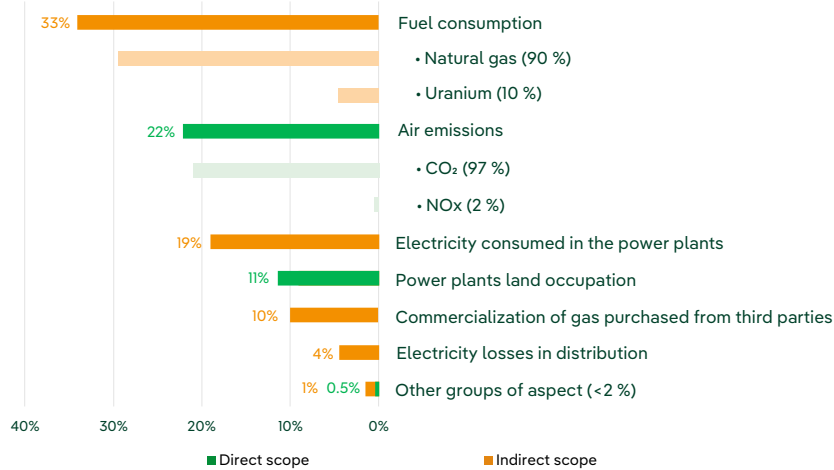
ACTIVITIES



IMPACT CATEGORIES



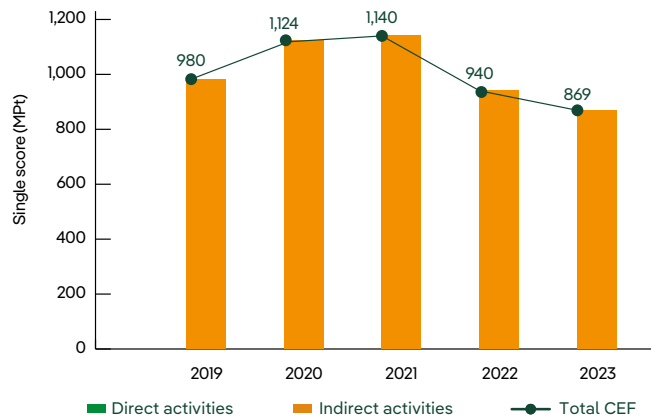
GROUP OF ASPECTS



Impact category	Direct reach	Indirect reach	Total	Unit
Fossil fuel depletion	0	2,552,096	2,552,096	t oil eq
Climate change	3,748,590	3,370,558	7,119,143	t CO ₂ e
Occupation of urban land	9,560	32	9,592	km ²
Particle formation	745	3,557	4,301	t PM10 eq

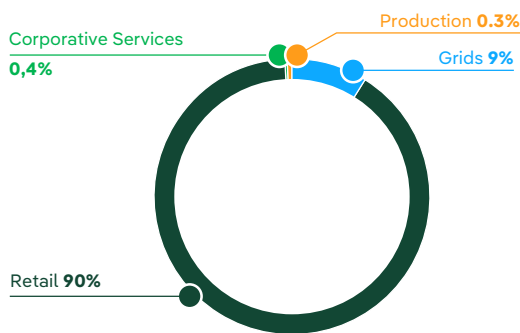
8.2 ScottishPower

ScottishPower’s Environmental Footprint has a profile associated with indirect activities with a residual contribution from the impact of the activities. In 2023 it will reduce its environmental footprint, mainly due to the reduction in the impact associated with fuel consumption.

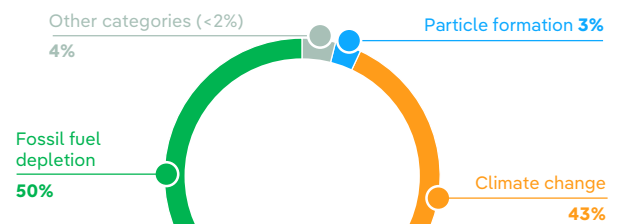


Below is the breakdown by activities, impact categories and groups of aspects:

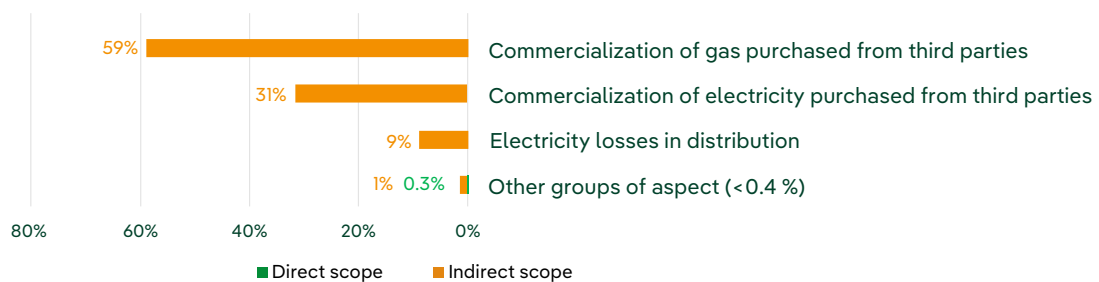
ACTIVITIES



IMPACT CATEGORIES



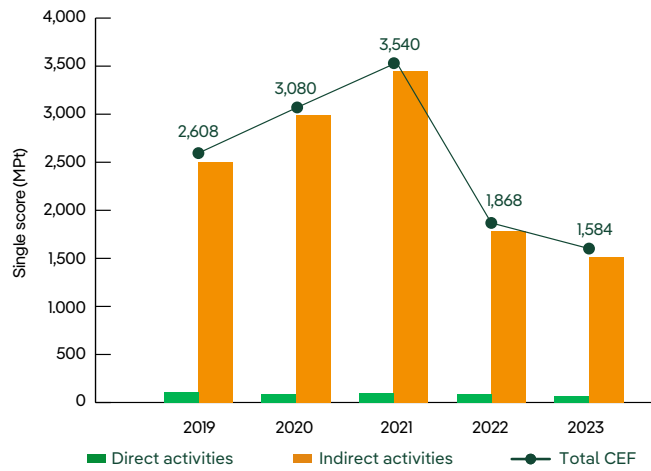
GROUP OF ASPECTS



Impact category	Direct reach	Indirect reach	Total	Unit
Fossil fuel depletion	0	4,266,159	4,266,159	t oil eq
Climate change	35,181	11,172,334	11,207,515	t CO ₂ e
Particle formation	61	4,770	4,831	t PM10 eq

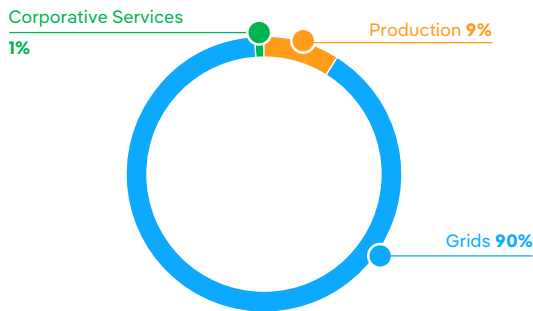
8.3 Avangrid

Avangrid's Environmental Footprint maintains the downward trend of recent years.

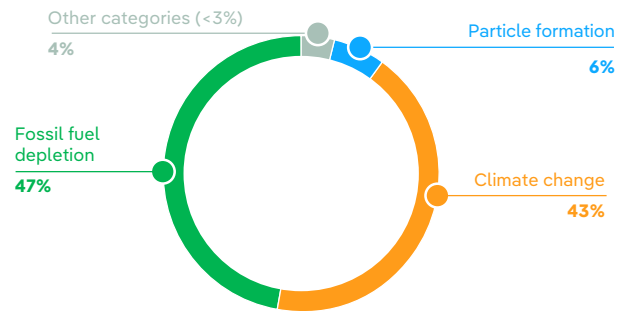


Below is the breakdown by activities, impact categories and groups of aspects:

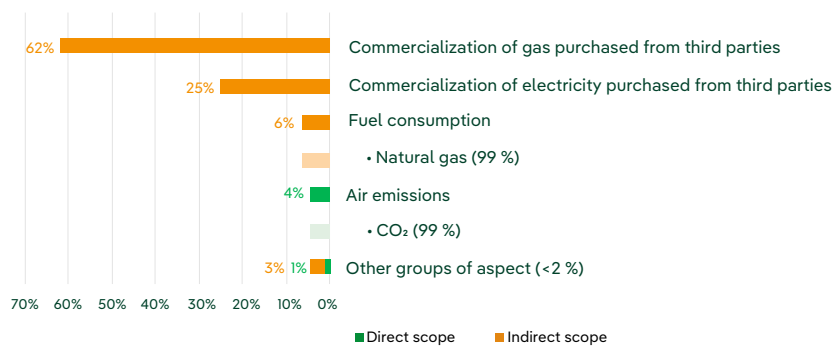
ACTIVITIES



IMPACT CATEGORIES



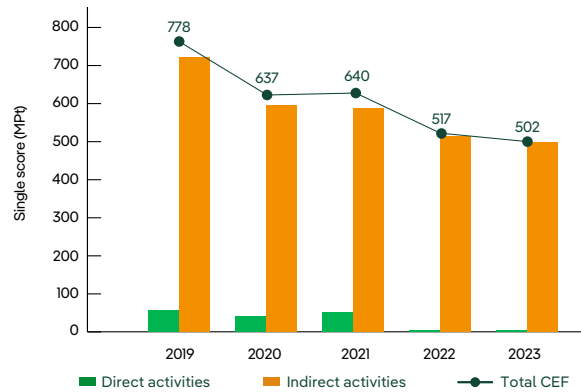
GROUP OF ASPECTS



Impact category	Direct reach	Indirect reach	Total	Unit
Fossil fuel depletion	0	7,513,054	7,513,054	t oil eq
Climate change	1,589,496	18,955,651	20,545,148	t CO ₂ e
Particle formation	49	14,718	14,767	t PM10 eq

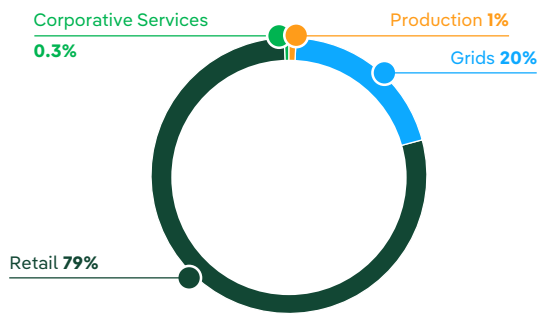
8.4 Neoenergia

The decrease in Neoenergia's Environmental Footprint is due to the improvement in waste treatment and the reduction in electricity consumed at the plants.

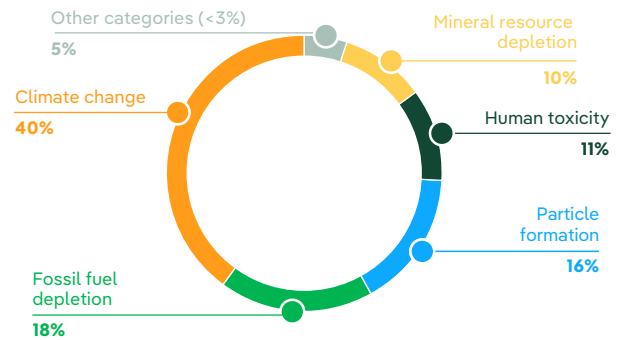


Below is the breakdown by activities, impact categories and groups of aspects:

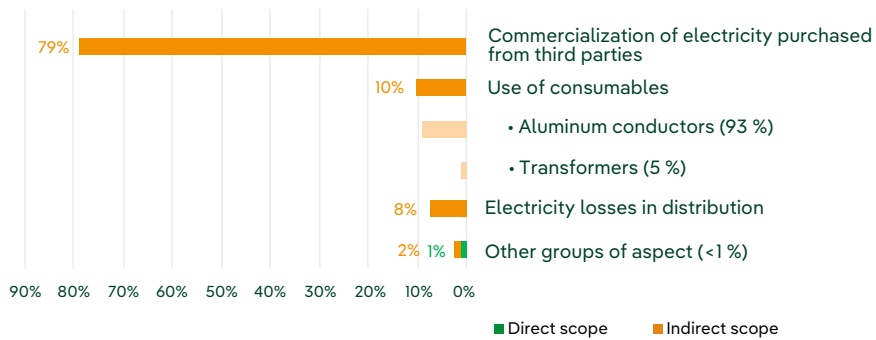
ACTIVITIES



IMPACT CATEGORIES



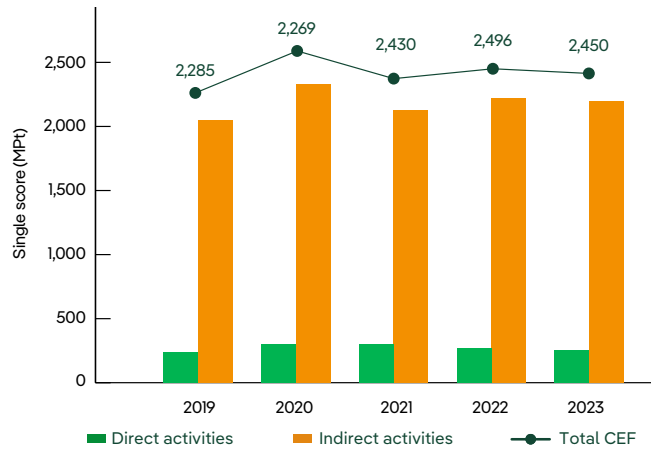
GROUP OF ASPECTS



Impact category	Direct reach	Indirect reach	Total	Unit
Climate change	78,005	4,479,910	4,557,914	t CO ₂ e
Fossil fuel depletion	0	674,205	674,205	t oil eq
Particle formation	17	10,452	10,469	t PM10 eq
Human toxicity	1,613	2,669,570	2,671,183	t 1.4-DB eq

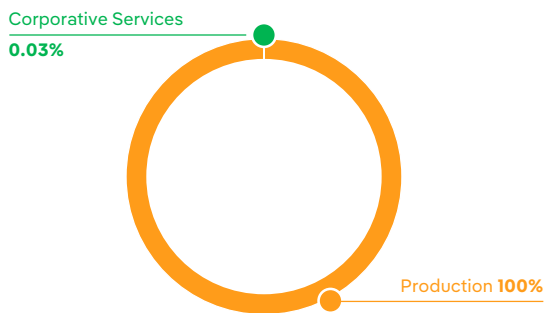
8.5 Iberdrola Mexico

The Environmental Footprint of Iberdrola México maintains a constant trend as shown in the following graph with the history since the base year.

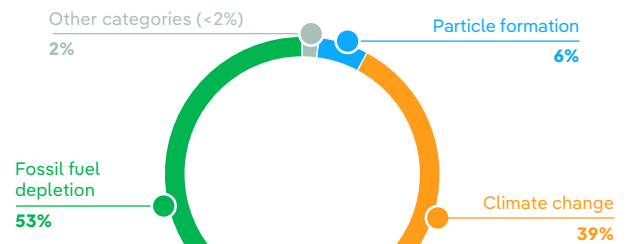


Below is the breakdown by activities, impact categories and groups of aspects:

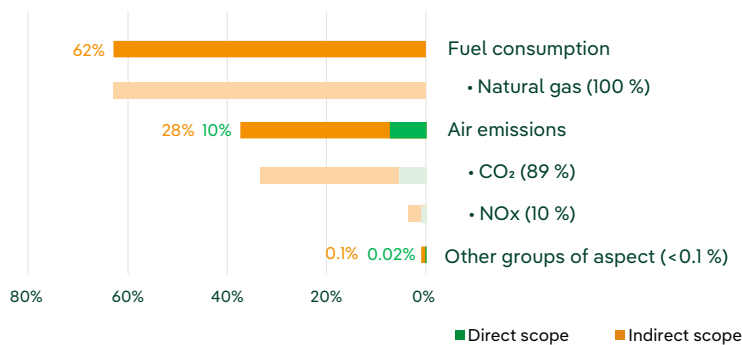
ACTIVITIES



IMPACT CATEGORIES



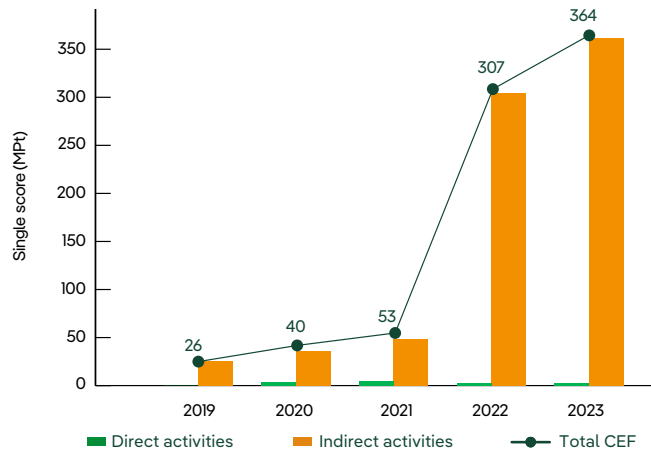
GROUP OF ASPECTS



Impact category	Direct reach	Indirect reach	Total	Unit
Fossil fuel depletion	0	9,692,392	9,692,392	t oil eq
Climate change	5,009,469	16,543,000	21,552,469	t CO ₂ e
Particle formation	3,513	13,847	17,360	t PM10 eq

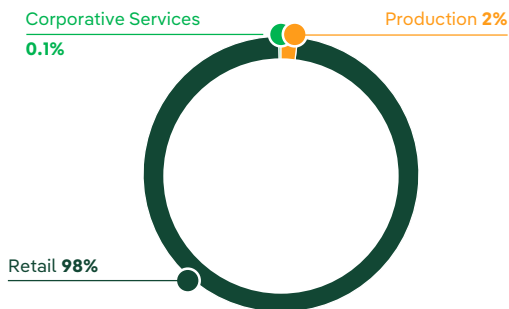
8.6 Iberdrola Energía Internacional

The Environmental Footprint of Iberdrola Energía Internacional increases due to the entry of marketing companies in Europe, which has led to an increase in the impact of indirect activities associated with the marketing of electrical energy purchased from third parties.

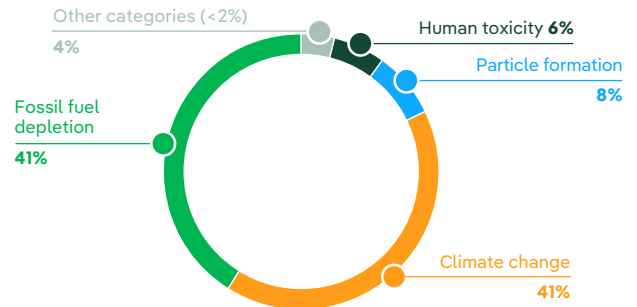


Below is the breakdown by activities, impact categories and groups of aspects:

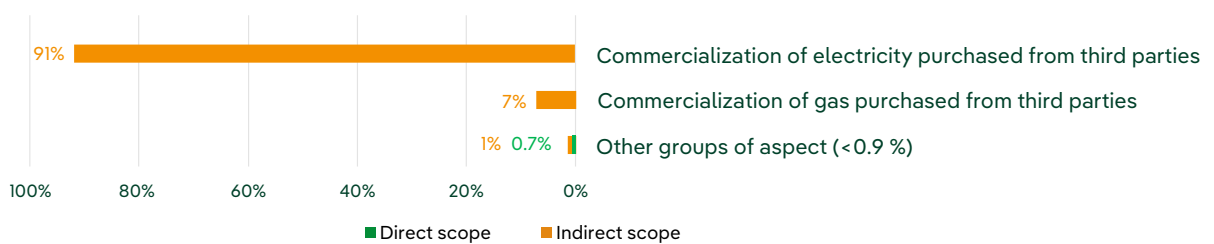
ACTIVITIES



IMPACT CATEGORIES



GROUP OF ASPECTS



Impact category	direct reach	Indirect reach	Total	Unit
Climate change	52,473	3,442,902	3,495,375	t CO ₂ e
Fossil fuel depletion	0	1,354,885	1,154,885	t oil eq
Particle formation	22	3,790	3,812	t PM10 eq
Human toxicity	3	1,122,667	1,122,670	t 1.4-DB eq

09

Conclusions

9. Conclusions

The calculation of the Corporate Environmental Footprint (CEF) allows determine the most decisive environmental performance indicators for Iberdrola, considering in its calculation the complete life cycle of the products and services it uses to carry out its activity.

From the analysis of the results obtained in CEF-2023 we highlight:

- The company's global **environmental impact** maintains its **downward trend** with a 10% reduction compared to 2022 in the Iberdrola Group's environmental profile.
- The potential **depletion of fossil resources** and the potential for **climate change** are **the main environmental vectors in the Group's corporate Environmental Footprint**.
- **91%** of the Environmental Footprint corresponds to impacts associated with **indirect activities**, which are a consequence of activities such as the upstream production of fuels used in generation, the marketing of gas purchased from third parties and the marketing of electrical energy purchased from third parties; The sum of these impacts already represents 75% of the Group's total.
- The **increase in the impact associated with the direct activities** of Iberdrola's corporate Environmental Footprint in 2023 is mainly due to the **recalculation of the occupation surfaces of the production sites**.
- It is observed that **the impacts of the groups of most significant aspects maintain the trend** in their impact compared to last year.

Iberdrola, as a pioneer company in the calculation of CEF and committed to a sustainable energy model, seeks with this information to ensure that the reduction of emissions, the conservation, protection and promotion of biodiversity and the sustainable and efficient use of resources are integrated into all of its operations. activities and processes.



A.

Annexes

A. Annexes

A.1. Definition of impact categories

I Climate change

Global warming potential is the ability of a greenhouse gas to influence radiative forcing, expressed in terms of a reference substance and a time horizon. Related to the ability to influence changes in global average temperature at the surface-air interface and on climate parameters and their effects.

Unit: kg CO₂ equivalent (carbon dioxide)

I Destruction of the ozone layer (Ozone depletion)

Impact category corresponding to the degradation of stratospheric ozone due to emissions of substances that deplete the ozone layer, such as long-lived gases containing chlorine and bromine.

Unit: kg equivalent CFC-11 equivalent (trichlorofluoromethane)

I Human toxicity

The harmful effects on human health due to the absorption of toxic substances through inhalation of air, ingestion of food or water, or penetration through the skin, to the extent they are related to cancer.

Unit: kg equivalents of 1,4-DB (dichlorobenzene)

I Photochemical oxidant formation

The formation of ozone at ground level in the troposphere, due to the photochemical oxidation of volatile organic compounds (VOCs) and CO in the presence of nitrogen oxides (NO_x) and sunlight. They are harmful to vegetation, respiratory tracts and artificial materials.

Unit: kg NMVOC (non-methane volatile organic compounds)

I Particle formation (Particulate matter formation)

It corresponds to the harmful effects on human health due to emissions of particles and their precursors (NO_x, SO_x, NH₃). Small particles less than 10 microns in diameter.

Unit: kilograms equivalent PM10 equivalent

I Ionizing radiation

The harmful effects on human health due to radioactive discharges.

Unit: kBq U²³⁵ equivalent (uranium 235)

I Soil acidification (Terrestrial acidification)

The effects due to the presence of acidifying substances on the earth's surface. Emissions of NO_x, NH₃ and SO_x lead to the release of hydrogen ions H⁺ when the gases are mineralised. Protons contribute to soil acidification.

Unit: kg SO₂ equivalent (sulfur dioxide)

I Freshwater eutrophication

Nutrients from freshwater discharges accelerate the growth of algae and other vegetation in the water. The degradation of organic matter consumes oxygen, causing a deficiency of this substance and, in some cases, the death of fish. Eutrophication translates the amount of substances emitted into a common measure expressed as the oxygen necessary for the degradation of dead biomass.

Unit: kg P equivalent (phosphorus)

I Marine eutrophication

Nutrients from seawater discharges accelerate the growth of algae and other vegetation in the water. The degradation of organic matter consumes oxygen, causing a deficiency of this substance and, in some cases, the death of fish. Eutrophication translates the amount of substances emitted into a common measure expressed as the oxygen necessary for the degradation of dead biomass.

Unit: kg N equivalent (nitrogen)

I Soil ecotoxicity (Terrestrial Ecotoxicity)

Toxic impacts that affect the Earth's surface, which are harmful to different species and change the structure and function of the ecosystem. It is the result of a series of different toxicological mechanisms caused by the release of substances with a direct effect on the health of the ecosystem.

Unit: kkg 1,4-DB equivalent (dichlorobenzene)

I Freshwater ecotoxicity

Toxic impacts that affect freshwater, which are harmful to different species and change the structure and function of the ecosystem. It is the result of a series of different toxicological mechanisms caused by the release of substances with a direct effect on the health of the ecosystem.

Unit: kg 1,4-DB equivalent (dichlorobenzene)

I Marine ecotoxicity

Toxic impacts that affect marine waters, which are harmful to different species and change the structure and function of the ecosystem. It is the result of a series of different toxicological mechanisms caused by the release of substances with a direct effect on the health of the ecosystem.

Unit: kg 1,4-DB equivalent (dichlorobenzene)

I Rural land occupation (Agricultural land occupation)

The use (occupation) of an area of rural land by activities such as agriculture. Land occupation considers the effects of land use, the extent of the surface involved and the duration of its occupation.

Unit: m² a (square meters times time measured in years)

I Urban land occupation

The use (occupation) of an urban land area for activities such as roads, housing, etc. Land occupation considers the effects of land use, the extent of the surface involved and the duration of its occupation.

Unit: m² a (square meters times time measured in years)

I Natural land transformation

The conversion (transformation) of a natural land area by activities such as agriculture, roads, housing, mining, etc. Land transformation considers the effects of land use and the extent of surface area involved.

Unit: m² (square meters)

I Water use (Water depletion)

Environmental impact category that refers to the use of water. It refers to the organisation's direct consumption of fresh water from a life cycle perspective. Water is a scarce resource on the planet and increasingly appreciated. Awareness towards the depletion of water resources has led to the development of the Water Footprint concept.

Unit: m³ (cubic meters)

I Depletion of mineral resources (Metal depletion)

Environmental impact category that refers to the depletion of mineral resources such as metals or rocks. It refers to the consumption of materials extracted from nature (measured by weight).

Unit: : kg Fe equivalent (iron)

I Fossil fuel depletion

Environmental impact category that refers to the use of fuels from oil, coal or non-renewable natural gas. It is measured in units of energy.

Unit: kg oil equivalent

I Single score (Points)

Score that refers to the global nature of all the impact associated with some environmental aspects. Obtained through calculation in different steps, normalising and weighting different categories of environmental impact to reach a single final number.

Unit: Pt (points)

A.2. General requirements and considerations

A.2.1 Considerations of the critical review

The verification of the Corporate Environmental Footprint by an independent external entity constitutes its critical review.

This verification is carried out by AENOR's expert audit team, in accordance with the requirements established in the ISO/TS 14072-1:2014 standard "*Environmental management - Life cycle assessment - Requirements and guidelines for organisational life cycle assessment*". The objective of verification is to provide interested parties with a professional and independent judgment regarding the information and data contained in the Corporate Environmental Footprint Report of IBERDROLA, SA.

A.2.2 Data collection

The qualitative and quantitative data included in the inventory have been collected for the processes included within the boundaries of the organisation. Data collection has been carried out under three approaches, depending on the available data: central and/or installation, business and country.

The data has annual coverage, using data from the year 2023.

The collection of annual data for modelling the impact factors of the electrical mixes used has been used from the most up-to-date public sources in each region to obtain representative results in time and location.

A.2.3 Data validation

The data and results of this report have been validated and verified by an independent third party through the following analyses:

- Strategic analysis
- Risk analysis
- Process analysis

Data not included are identified in the Exclusions section.

A.2.4 Setting system limits

In accordance with the iterative nature of Life Cycle Assessment (LCA), decisions regarding which data to include are based on sensitivity analysis and the results obtained from previous environmental footprints.

A.2.5 Allocation procedure for reuse and recycling

The environmental burden allocation model used is the so-called "allocation recycled content" or "*cut-off*".

A.3. Endpoint Score

The Endpoint score calculation provides a final value of the Iberdrola Group’s global environmental performance, grouping the different environmental impacts into a single score. Below are the Endpoint values for each impact category and the total environmental footprint of the Iberdrola Group.

Impact category	Direct reach (points)	Indirect reach (points)	Total (points)	Environmental footprint (points)
Climate change (human health)	431,543,746	2,031,441,398	2,462,985,143	6,548,897,020
Ozone layer destruction	3,040	260,110	263,150	
Human toxicity	65,683	208,153,960	208,219,643	
Formation of photochemical oxidants	20,891	103,324	124,216	
Particle formation	33,597,543	366,681,888	400,279,430	
Ionizing radiation	0	7,512,979	7,512,979	
Climate change (ecosystems)	36,348,328	171,073,164	207,421,492	
Terrestrial acidification	25,960	282,653	308,613	
Freshwater eutrophication	0	119,281	119,281	
Terrestrial ecotoxicity	426	312,870	313,296	
Freshwater ecotoxicity	1	741,319	741,320	
Marine ecotoxicity	5	124,601	124,606	
Occupation of agricultural land	0	14,700,327	14,700,327	
Occupation of urban land	88,652,099	2,156,841	90,808,939	
Natural terrain transformation	0	18,340,081	18,340,081	
Depletion of mineral resources	0	98,977,114	98,977,114	
Fossil fuel depletion	0	3,037,657,389	3,037,657,389	

A.4. Midpoint Score

The Midpoint characterisation values provide us with information on the performance of the company's activity, taking into account the life cycle of the products and services used by the Iberdrola Group for each of the 18 environmental impact categories in the characteristic units of each impact category.

Below are the values of the impacts generated by Iberdrola's activity by scope, direct and indirect, from the perspective of the life cycle.

Impact category	Unit	direct reach	Indirect reach	Total
Climate change	t CO ₂ e	10,513,208	57,964,355	68,477,563
Ozone layer destruction	kg CFC-11 eq	28	4,291	4,319
Terrestrial acidification	t SO ₂ eq	10,260	120,742	131,002
Freshwater eutrophication	t P eq	0	6,256	6,256
Marine eutrophication	t N eq	688	9,945	10,633
Human toxicity	t 1.4-DB eq	3,197	10,385,672	10,388,869
Formation of photochemical oxidants	t NMVOC	18,270	99,129	117,399
Particle formation	t PM10 eq	4,407	51,134	55,542
Terrestrial ecotoxicity	t 1.4-DB eq	6	4,988	4,994
Freshwater ecotoxicity	t 1.4-DB eq	3	2,010,253	2,010,256
Marine ecotoxicity	t 1.4-DB eq	56	1,638,276	1,638,332
Ionizing radiation	tBq U235 eq	0	15,666,102	15,666,102
Occupation of agricultural land	km ²	0	2,608	2,608
Occupation of urban land	km ²	9,823	249	10,072
Natural terrain transformation	km ²	0	27	27
Freshwater depletion	hm ³	79	143	222
Depletion of mineral resources	t Fe eq	0	1,776,066	1,776,066
Fossil fuel depletion	t oil eq	0	25,852,792	25,852,792

June 2024 report completion date

A.5. AENOR verification statement



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Certificado de Conformidad Huella Ambiental de Organización



HAO-2017/0001

AENOR certifica que la organización

IBERDROLA, S.A.

ha calculado su huella ambiental de organización de acuerdo a los requisitos establecidos en la Norma ISO/TS 14072:2014 "Environmental management -- Life cycle assessment -- Requirements and guidelines for organizational life cycle assessment" y se compromete a su seguimiento en el tiempo

para las actividades: El alcance de la verificación se establece para las actividades que prestan las empresas de la compañía en las regiones de España, Reino Unido, Estados Unidos, México, Brasil e Internacional (resto del mundo).

periodo calculado:

Durante la verificación se analizó la información atendiendo al enfoque de control operacional, a excepción de las centrales nucleares y de las cogeneraciones participadas de España, que se contabiliza bajo cuota de participación, alineándose con el Informe de Sostenibilidad.

Además, para alguna de las centrales de producción de energía en México, las Plantas Productoras Independientes de Energía (PIE), en las que CFE decide su modo de operación, sus impactos se han reportado en el Alcance 3 y se indica que Iberdrola no tiene pleno control de la operación.

PERIODO VERIFICADO: 2023

que se realizan en: CL TOMAS REDONDO, 1. 28033 - MADRID

Emisión: 2024-09-06



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CEO

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AENOR Verification Statement for IBERDROLA, S.A. Corporate Environmental Footprint corresponding to the year 2023

FILE: 1995/0014/HA0/01

Introduction

IBERDROLA, SA (hereinafter the company) has commissioned AENOR CONFIA, SAU (AENOR) to carry out a limited review of its corporate environmental footprint derived from its activities during the year 2023. The aforementioned inventory is included in the Environmental Footprint Report Corporate of Iberdrola SA Fiscal Year 2023, June 2024.

Corporate environmental footprint inventory issued by the Organization: IBERDROLA, SA with registered office at C/ Tomás Redondo 1. 28033 Madrid (Spain)

Representative of the Organization: Mr. Bernardo LLANEZA FOLGUERAS of Corporate Environment, belonging to the Innovation and Sustainability Directorate

IBERDROLA, SA had the responsibility of reporting its corporate environmental footprint in accordance with the requirements established in the ISO/TS 14072-1:2014 standard "Environmental management -- Life cycle assessment -- Requirements and guidelines for organizational life cycle assessment".

Aim

The objective of verification is to provide interested parties with a professional and independent judgment regarding the information and data contained in the aforementioned Corporate Environmental Footprint Report of the IBERDROLA Group.

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Scope of Verification

The Iberdrola Group's GHG inventory is presented "at the sub-holding level ", with " sub-holding " being understood as a group of group companies in a geographical area.

The scope of the verification is established for the activities provided by the company's companies in the regions of Spain, United Kingdom, United States, Mexico, Brazil and International (rest of the world).

During the verification, the information was analyzed based on the operational control approach, with the exception of the nuclear plants and cogenerations in Spain, which are accounted for under participation quota, in line with the Sustainability Report.

Cutting criteria

Not all group companies are included in the HAC calculation due to the objective difficulty of incorporating them into corporate systems in a way that allows external verification thereof. Although it should be noted that these limits imply:

- More than 99% of the group's consolidated turnover.
- More than 95% of the group's equivalent employees.

Functional unit

It is the reference with respect to which all the data on obtaining materials, generating electricity and end of life of the object of this analysis are collected:

"The activity carried out in a year by Iberdrola (generation, transmission, marketing and general corporate support services), accounting for all input and output aspects that occur both in the organization and upstream and downstream, and the impacts environmental consequences of the generation of electricity from third-party companies for subsequent commercialization by Iberdrola."

Allocation criteria

Due to the established reporting unit and given that in each of the study facilities there is no case of products or facilities shared between IBERDROLA and third companies, there are no assignment criteria.

Furthermore, for some of the energy production plants in Mexico, the Independent Energy Production Plants (PIE), in which CFE decides their mode of operation, their impacts have been reported as Indirect and it is indicated that Iberdrola does not have full control of the operation.

Operating limits and exclusions

Iberdrola distinguishes the impact of its environmental aspects analyzed as direct and indirect for operations carried out within the limits of the organization. These scopes allow us to distinguish whether the environmental impact is due to IBERDROLA's own activity or is due to an activity over which the company has no control or is due to external agents.

Impacts derived from direct aspects: aspects of activities that belong to or are controlled by the IBERDROLA Group (generation, distribution and marketing and general services; such as boilers, fleet vehicles, production process). It includes the entire life cycle of the raw materials used, consumables, water and waste, that is, everything that is within the organizational limits. Environmental aspects

Impacts derived from indirect aspects: indirect activities that are a consequence of the company's activities, but that occur in sources that are not owned or controlled by IBERDROLA, among others those associated with energy consumption. Environmental aspects:

Exclusions

Impacts that have a low representativeness (< 3% in total) with respect to the total impact. In this group are:

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- Radioactive emissions in the operation phase of nuclear power plants (limitation due to the life cycle inventory database used to obtain the characterization factors).
- Consumables whose impact on the final result of the footprint is not significant (less than 2%).
- Mobile sources from generation facilities (less than 2%).
- The aspects derived from the corporate aircraft and ships for the operation and maintenance of offshore parks .
- The aspects associated with the upstream and downstream (construction/dismantling) of generation and non-generation facilities, offices and distribution and transportation lines owned by Iberdrola.
- Radioactive emissions in the operation phase of nuclear power plants,

There have been no relevant changes compared to the previous HAC report.

Base year

The year 2019 is maintained as the base year for successive comparisons of the evolution of Iberdrola's Corporate Environmental Footprint.

Agreed Level of Assurance

It was agreed with the company to establish a limited level of assurance in the verification.

Agreed Relative Importance

For verification, it was agreed that material discrepancies will be considered those omissions, distortions or errors that can be quantified and result in a difference greater than 5% with respect to the total in final points.

Criteria

- 1) ISO/TS Standard 14072:2014 "Environmental management -- Life cycle assessment -- Requirements and guidelines for organizational life cycle assessment".
- 2) The environmental impact assessment methodology used in the calculation of IBERDROLA's Corporate Environmental Footprint is the ReCiPe methodology (version 3.6), based on the UNE-EN ISO 14040:2006 and UNE-EN ISO 14044:2006 standards, with which The life cycle of the company's products/services is quantitatively analyzed.

The SimaPro 9.4 tool has been chosen. This tool allows simulating any product through a Life Cycle Inventory, performs the necessary calculations for assigning characterization, normalization and weighting factors of the selected environmental impact assessment methodologies and shows the results both in numerical values and in distribution in broken down percentages.

The Ecoinvent inventory database version 3.8 has been used

- 3) The UNE-EN ISO 14064-3:2019 standard: Specification with guidance for the validation and verification of declarations on greenhouse gases

The object of the verification was the "Corporate Environmental Footprint Report for Fiscal Year 2023 - Iberdrola", dated June 2024.

AENOR expressly disclaims any responsibility for decisions, investment or otherwise, based on this statement.

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Conclusion

The Verification of the corporate environmental footprint for the year 2023 of IBERDROLA and its subsidiary companies has been carried out in accordance with the requirements of the reference standard.

The verification included the review of the calculation methodology, as well as the data finally reported and indicated below. It should be noted that the verification of the Corporate Environmental Footprint has been integrated into the company's management model, whose objective is to guarantee that the strategic nature of the environmental variable for Iberdrola is implemented in business operations, thus promoting the increase in their general efficiency.

As a general conclusion of the verification, taking into account the agreed limited assurance:

In our opinion, there is no evidence that suggests that the information on the organization's corporate environmental footprint reported in the "Corporate Environmental Footprint Report for 2023 - Iberdrola" of June 2024 is not a faithful representation of the environmental impacts of the organization. Your activities.

Consistent with this Declaration, the data finally verified is listed below:

MidPoint Characterization :

IMPACT CATEGORY	UNIT	DIRECT	INDIRECTS
<i>Climate change</i>	t CO ₂ eq	10,513,208	57,964,355
<i>Ozone layer destruction</i>	kg CFC-11 eq	28	4,291
<i>Human toxicity</i>	t 1.4-DB eq	3,197	10,385,672
<i>Formation of photochemical oxidants</i>	t NMVOC	18,270	99,129
<i>Particle formation</i>	t PM10 eq	4,407	51,134
<i>Ionizing radiation</i>	tBq U235 eq	0	15,666,102
<i>Soil acidification</i>	t SO ₂ eq	10,260	120,742
<i>Freshwater eutrophication</i>	t P eq	0	6,256
<i>Marine eutrophication</i>	t N eq	688	9,945
<i>Soil ecotoxicity</i>	t 1.4-DB eq	6	4,988
<i>Freshwater ecotoxicity</i>	t 1.4-DB eq	3	2,010,253
<i>Marine ecotoxicity</i>	t 1.4-DB eq	56	1,638,276
<i>Agricultural land occupation</i>	km ² a	0	2,608
<i>Urban land occupation</i>	km ² a	9,823	249
<i>Natural soil transformation</i>	km ²	0	27
<i>Water use</i>	hm ³	79	143
<i>Depletion of natural resources</i>	t Fe eq	0	1,776,066
<i>Fossil fuel depletion</i>	t oil eq	0	25,852,792

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EndPoint Score :

IMPACT CATEGORY	Direct (Dimensionless points)	Indirect (Dimensionless points)
Climate change (human health)	431,543,746	2,031,441,398
Ozone layer destruction	3,040	260,110
Human toxicity	65,683	208,153,960
Formation of photochemical oxidants	20,891	103,324
Particle formation	33,597,543	366,681,888
Ionizing radiation	0	7,512,979
Climate change (ecosystems)	36,348,328	171,073,164
Terrestrial acidification	25,960	282,653
Freshwater eutrophication	0	119,281
Terrestrial ecotoxicity	426	312,870
Freshwater ecotoxicity	1	741,319
Marine ecotoxicity	5	124,601
Occupation of agricultural land	0	14,700,327
Occupation of urban land	88,652,099	2,156,841
Natural terrain transformation	0	18,340,081
Depletion of mineral resources	0	98,977,114
Fossil fuel depletion	0	3,037,657,389
Totals	590,257,722	5,958,639,299

Madrid, September 2nd, 2024



D. Rafael García Meiro
CEO

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