

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support	ISO 14064 external verification since 2010. Participation in European Commission pilot project.	Carbon reporting should be compulsory for big companies.
Cap and trade	Support	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.	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. However, this signals should be reinforced through a carbon price floor to bring visibility and stability to investors.
Carbon tax	Support	Iberdrola operates throughout markets where there are carbon price instruments equivalent to a carbon tax (EU ETS, carbon price floor in UK...).	Carbon tax should be an element of a rigorous Environmental Tax Reform, which would cover all sectors, including transport and heating; 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%).
Energy efficiency	Support	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 an active role in the regulatory dialogue at international and national level.	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.

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	Iberdrola was founded at the beginning of the past century based on hydroelectric power and 17 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.	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 68% free of carbon emissions and plans to reduce by 50% emissions in 2030 vs. 2007 and become carbon neutral in 2050.
Adaptation or resilience	Support	Iberdrola plays and active role in the regulatory dialogue at international and national level. In particular, Iberdrola has shared its experience in the development of adaptation tools with the Basque Government to support the development of further guidance to other industries. Additionally, Iberdrola USA has participated in the United States Department of Energy's (DOE) Partnership for Energy Sector Climate Resilience program, where it has contributed to the development of resources that facilitate risk-based decision making and pursue cost-effective strategies for a more climate-resilient energy infrastructure. In the UK our networks and generation businesses are engaged with the Adaptation Reporting Power inviting companies to report on their preparedness to adapt to climate change.	Governments should set global strategies to promote adaptation resilience across all economy sectors.
Climate finance	Support	Iberdrola plays and active role in the regulatory dialogue at international and national level.	In general terms, finance is one of the main elements to tackle climate change. Iberdrola signed in November 2012, the Carbon Price Communiqué, issued to governments by the leaders of more than 200 companies worldwide with a view to the Doha Summit, an initiative of The Prince of Wales's Corporate Leaders Group on Climate Change (CLG), managed and developed by the Programme for Sustainability Leadership of the University of Cambridge (CPSL). Environmental goals and stable regulatory frameworks are essential for agents to obtain finance to invest in low carbon technologies. Currently, the economic crisis may delay investment and reduce R&D expenditure in the climate change field. In September 2014, Iberdrola endorsed the goals set by CDP via its Road to Paris 2015 initiative.
Other, please specify (Assumption Environm. costs internally)	Support	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.	Active participation in national and international forums (i.e., Davos, 2018 our CEO and our Environment Director attended promoting this issue).
Other, please specify (Carbon Pricing)	Support	Iberdrola is member of Carbon Price Leadership Coalition. 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 and promotes the cheapest clean production sources.	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.

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Talanoa Dialogue)	Support	Outcome of the Talanoa Dialogue, as key process to develop the implementation guidelines of the Paris Agreement.	UNFCCC has recognized Iberdrola's leadership in the Talanoa Dialogue since the beginning of the process (technical phase). Outcomes of this phase are key to approve stringent implementation guidelines for the Paris Agreement at COP 24 that would send clear signals to investors and ensure environmental integrity.
Other, please specify (Yearbook of Global Climate Action)	Support	The first Yearbook of Global Climate Action was launched by Marrakech Partnership of GCA at COP 23, it constituted a keystone in the process to show case non-state actor actions.	Iberdrola was invited to participate providing information on its business strategy and how it is fully aligned with Paris Agreement.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Eurelectric

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

Eurelectric in Europe, decarbonisation in 2050.

How have you influenced, or are you attempting to influence their position?

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.

Trade association

Transparency Register

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Created by European institutions to give adequate transparency to the relations of such institutions with companies, NGOs, citizens' associations, think tanks, among others.

How have you influenced, or are you attempting to influence their position?

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.

Trade association

Club de Excelencia en Sostenibilidad

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Created by leading corporations in order to point out the public authorities best practices regarding sustainability issues: GHG emissions, mobility, biodiversity and energy efficiency projects...

How have you influenced, or are you attempting to influence their position?

We have participated in all the publications and we have coordinated within the institutions several Working Groups. The most recent is the Biodiversity Catalogue.

Trade association

Call of eight leading energy companies to EU leaders for a revitalized energy policy

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

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.

How have you influenced, or are you attempting to influence their position?

Iberdrola has supported the event. Information published in Iberdrola's webpage.

Trade association

Grupo español de Crecimiento Verde

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

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.

How have you influenced, or are you attempting to influence their position?

Iberdrola is present in this Group since its creation on September 2014. It is one of the few utilities present.

Trade association

CDP Roadmap to Paris

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Iberdrola reaffirmed its unwavering commitment to combating climate change at the Climate Change Summit organised by the United Nations in New York in September 2014. In this regard, the company endorsed the goals set by CDP via its Road to Paris 2015 initiative, which aims to ensure that more ambitious and binding measures will be taken by States at the Climate Summit scheduled for the French capital.

How have you influenced, or are you attempting to influence their position?

Iberdrola, when attending the New York Climate week in September 2014, signed the basic purposes of this initiative and has joined the effort in order to go on bringing down greenhouse gas emissions, limit global warming to less than 2° Celsius and promoting transparency in the reporting.

Trade association

BetterCoal

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Bettercoal is a global, not for profit initiative, that has been established by a group of major European utilities to promote the continuous improvement of corporate responsibility in coal mining, with a specific focus on the mines themselves.

How have you influenced, or are you attempting to influence their position?

Iberdrola is one of the 17 members of the international BetterCoal initiative, which includes the leading European coal-purchasing energy companies. Its aim is to set a standard for ethical, environmental, and social conduct, evaluate the conduct of producers through audits, create a database with the results of such evaluations, and improve producers' actions.

Trade association

Global Compact Lead

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

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.

How have you influenced, or are you attempting to influence their position?

Iberdrola takes an active part in this Group.

C12.3d**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

Yes

C12.3e**(C12.3e) Provide details of the other engagement activities that you undertake.**

Iberdrola participated in the COP24, showing its leadership in the fight against climate change, goal 13 of the Sustainable Development Goals (SDGs). The company is actively engaged in these Goals, which were already included in its business strategy and Sustainability Policy.

Once again, the company played a very important role in the Summit with the Moving for Climate NOW initiative and with its participation in the main events and meetings arranged during the Summit held in Katowice (UN Framework Convention for Climate Change, World Business Council for Sustainable Development, Carbon Pricing Leadership Coalition, UN Global Compact, etc.). In 2018, Moving for Climate NOW gathered over 40 representatives of international organisations, who travelled almost 600 km on bicycle to raise the awareness on the importance of how movement is required to combat climate change.

This initiative is one of the actions as part of Iberdrola's broader *Plan to Raise Social Awareness on Climate Change*, directed towards different public audiences, mostly through alliances with experts and third-parties. Other activities are:

- I) online training course to all employees
- II) on-site school workshops by Iberdrola volunteers
- III) sponsorship of a children's theatre play tour
- IV) advice in the documentary Guardians of the Planet

A partial summary of the organizations and initiatives:

- World Economic Forum (WEF) –CEO Climate Leaders–.
- World Business Council of Sustainable Development (WBCSD)
- UN Global Compact LEAD.
- European Round Table of Industrialists.
- The Prince of Wales's Corporate Leaders Group. Green Growth Platform.
- Carbon Pricing Leadership Coalition.
- REDS, Red Española de Desarrollo Sostenible.
- SE4ALL.
- We Mean Business.
- The Climate Group.
- Fundación Rafael del Pino- Programa Inicia
- Bruegel.

We support research organisations who produce public work on climate change:

- Academic

Various Universities and colleges to facilitate technology, training and research into climate mitigation techniques (Universities of Strathclyde, Edinburgh, Durham, Liverpool, MIT, etc)

The Utility of the future- MIT Edinburgh Centre for Climate Change Innovation

Iberdrola chair in Energy and Innovation at the University of Comillas - ICAI

Iberdrola chair at the University of Salamanca

Iberdrola chair at Polytechnic University of Madrid for the Sustainable Development Goals

Iberdrola Hall and Iberdrola-UPSA Innovation Club at the Pontifical University of Salamanca

Partnership with the Conference by Nicholas Stern "Energy, a key factor in a more sustainable economy"

Sponsorship of the "Rey Jaime I" Award for the Protection of the Environment

Our Foundation continuous in 2018 the annual Scholarship and Research Aid Programme specialising in energy and environment, with the aim of contributing to excellence in training and research in the energy field, with special emphasis on renewable energy, the improvement of Biodiversity, as well as the efficiency of the energy system.

Iberdrola and the Polytechnic University of Madrid and Iberdrola organised the Unavoidable Transformation [Conference, based on the Sustainable Development Goals](#), which took place in Madrid May. 28th, **2019** and involved over 400 international representatives.

- Business

CBI – through work in respect to the business response to climate change

Green Alliance – work in research, behaviour change and lobbying

Carbon Trust – to investigate technology improvement for climate mitigation, especially in relation to renewables

PERSEO program, where Iberdrola Venture Capital is dedicated to investing in innovative technologies that ensure the sustainability of the energy model

Supporter of Foundation COTEC that promotes technological innovation in Spanish business fabric and Spanish society

- Trade Body

Eurelectric: European electricity association, where IB participates in different groups (climate change, renewables, etc)

WindEurope: IB is member of the European wind industry association

Unesa: IB is member of Spanish electricity association

AEE: IB is member of Spanish wind association

APPA: IB is member of Spanish renewable producers association

ScottishPower Renewables – undertakes research into increasing deployment of renewables and low carbon electricity generation in Scotland

Energy UK – research and influencing activity to help reduce the carbon intensity of the UK electricity generating portfolio and increase energy efficiency measures

Electricity Networks Association – to facilitate the development of a low carbon electricity system through research and development activity in relation to grids

NEOTEC Program - investment committee member

Invierte Program - in conjunction with the Centre for Industrial Technological Development (CDTI), for studying and development of new technologies for the energy sector

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We promote relationships geared to the enactment of efficient regulatory provisions allowing the development of a competitive market. To that end, there is a continuous and constructive dialogue where information, knowledge, and opinions are exchanged. Iberdrola is thus acquainted with the concerns and proposals of regulatory entities and puts forward the Company's own opinions in the legitimate defence of its interests and those of its shareholders, customers, and users. It also actively participates both in "public hearings" held by regulatory entities in order to ascertain the opinions of the players involved in the processes prior to the revision of regulations or the determination of domestic energy policies, and in the official processes of enactment of the laws and regulations and the monitoring of the application thereof. The Company maintains smooth and cordial relationships with European Union institutions through its office based in Brussels and with the entities of Spain, UK and Scottish governments.

The 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.

For example, in the UK, we have been working with the UK and Scottish Governments to facilitate new low carbon sources of electricity generation through the Electricity Market Reform process. We have also been involved with Government and external stakeholders in the past in the achievements of CERT/CESP and we are nowadays involved in the development of the Green Deal/ECO framework that is designed to encourage energy efficiency for households and businesses.

In the fight against climate change, adaptation measures are essential. That is the reason why Iberdrola has developed a specific climate change adaptation plan in order to anticipate future climate risks as a result of climate change and increase the resilience of the company. We have multidisciplinary environmental regulation meetings (6 per year minimum).

As a general rule, Iberdrola works for the approval of and respect for the principles of good regulation: proportionality, effectiveness and efficiency, responsibility and independence, consistency and credibility, and, finally, transparency and clarity.