



2023
Sustainability Report

Acknowledgment of Country

Iberdrola Australia respectfully acknowledges the First Nations people of Australia and their enduring connection to their ancestral lands and waters. We pay our respects to the First Nations people who have gone before, who are living today and who are yet to be born. We honour the Aboriginal and Torres Strait Islander peoples, their living experiences, and their enduring connection with Country to which they belong.



Photo this page: Wind turbine being painted with Indigenous artwork at Bodangora Wind Farm, NSW

Photo front cover: Wind turbine in the sunset at Bodangora Wind Farm, NSW

Photo back cover: Iberdrola Australia employee walking up to wind turbine during sunset at Bodangora Wind Farm, NSW

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A brighter future.

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Independent Limited Assurance Report to the Directors of Iberdrola Australia Limited.

Conclusion
Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Information Subject to Assurance, which has been prepared by Iberdrola Australia Limited in accordance with the Criteria for the year ending 31 December 2023.

Information Subject to Assurance

The Information Subject to Assurance is the Selected Sustainability Data presented in the Iberdrola Australia Limited 2023 Sustainability Report as described in **Appendix 1** of this report.

Criteria Used as the Basis of Reporting

The Information Subject to Assurance was prepared in accordance with Iberdrola Australia Limited’s 2023 Basis of Preparation and related internal policies and procedures, and as described in the Iberdrola Australia Limited’s 2023 Sustainability Report (“the Criteria”).

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Iberdrola Australia Limited’s 2023 Sustainability Report, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant personnel to understand the internal controls, governance structure and reporting process of the Information Subject to Assurance;
- analytical procedures over the Information Subject to Assurance;
- walkthroughs of the Information Subject to Assurance to source documentation on a sample basis;

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- evaluating the appropriateness of the criteria with respect to the Information Subject to Assurance; and
- reviewed the Iberdrola Australia Limited 2023 Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Iberdrola Australia.

Use of this Assurance Report

This report has been prepared for the Directors of Iberdrola Australia Limited for the purpose of providing an assurance conclusion on the Information Subject to Assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Iberdrola Australia Limited, or for any other purpose than that for which it was prepared.

Management’s responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet the needs of the Directors and;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the year ended 31 December 2023, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG
Sydney, NSW
4 June 2024

How We Report

This Sustainability Report is issued by Iberdrola Australia Limited, also referred to as “Iberdrola Australia”, “Iberdrola”, “our business”, “us” or “we”. This report focuses on drivers of value within our business, alongside the risks and opportunities that may materially impact our stakeholders. This report aims to provide stakeholders with a balanced picture of our economic, environmental, social and governance performance. In order to provide comparable information on environmental, social and governance (ESG) performance, we have prepared this report with reference to the Global Reporting Initiative (GRI) Standards, the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the United Nations (UN) Sustainable Development Goals (SDGs). We are working toward full GRI disclosure in future reporting. All data disclosed in this report is for the 2023 calendar year, unless otherwise stated. The use of '\$' in this report refers to Australian Dollars (AUD) unless otherwise specified.

In referencing the GRI Standards, Iberdrola Australia has implemented the four Principles to Defining Report Content:

1. Stakeholder Inclusiveness

Including identifying issues from stakeholder feedback, formal complaints processes and inquiries from authorities, as well as indirect feedback such as from media sources.

3. Sustainability Context

Iberdrola Australia evaluates its ESG risks as a sub-set of the broad risks that it manages within its **Risk Management Framework**.

2. Materiality

All GRI Standards, including the Electric Utilities Sector Disclosure, were reviewed and assessed to determine the reporting scope.

4. Completeness

Boundaries of our material issues were identified to determine whether significant impacts were covered within or outside of the organisation.

The validation process is internally documented, having assessed the relevance of each topic and sector disclosure to Iberdrola Australia and our stakeholders.

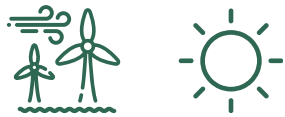
Iberdrola Australia is a wholly-owned subsidiary of the **Iberdrola Group**, (also referred to here as Group) headquartered in Spain. We also provide sustainability information to the Iberdrola Group’s global Sustainability Report. **Iberdrola S.A.** is a signatory to the UN Global Compact and has adopted the UN SDGs as part of its business strategy, giving focus to Goal 7 and Goal 13 and making a direct contribution to Goals 6, 9, 15 and 17. This report is the first Sustainability Report for Iberdrola Australia. We last reported on our Australian business prior to acquisition by Iberdrola S.A. as Infigen Energy Limited in 2019. We report separately under the National Greenhouse Emissions Reporting Standards (NGERS), the *Modern Slavery Act 2018*, Safe Work Australia and state environmental legislation.



*Selected data points in this report have been covered by a Limited Assurance engagement by KPMG. Points included are identified on the specific pages of this report. The KPMG Limited Assurance report is included on page iii and Appendix 1.

Our Strategy

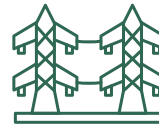
We generate and source renewable energy



We add value by firming



We design & deliver renewable energy transmission connections



We provide customers with reliable supplies of clean energy including behind the meter solutions



By combining intermittent renewables with fast-start firming assets, we offer our customers reliable and competitively priced clean energy while supporting communities and protecting the environment.

Our Assets

Our fleet of renewable energy assets is **among the largest in Australia**. In addition to our owned assets, we contract the output from other renewable operators, enabling us to serve a growing number of customers.

Our portfolio of fast-start firming assets enables us to manage the risks associated with the intermittency of renewable generators.

When constructed, we will have **committed to over 2.4GW of installed capacity with a large and growing development pipeline**.

In the past three years, **we added almost 1.5GW of renewable energy capacity**.



*As at May 2024

**Long-term lease

^Iberdrola Australia contracts 60% of the output of the 227MW Collector Wind Farm

Asset*		Nameplate Capacity (MW)	State	
Owned Renewable Energy Assets				Commercial Operation Date
1	Lake Bonney 1 Wind Farm	81	SA	Mar 2005
2	Walkaway Wind Farm	89	WA	Jul 2006
3	Lake Bonney 2 Wind Farm	159	SA	Sep 2008
4	Capital Wind Farm	141	NSW	Jan 2010
5	Lake Bonney 3 Wind Farm	39	SA	Jul 2010
6	Woodlawn Wind Farm	48	NSW	Oct 2011
7	Bodangora Wind Farm	113	NSW	Feb 2019
8	PAREP Wind Farm	210	SA	Sep 2022
9	PAREP Solar Farm	107	SA	Sep 2022
10	Avonlie Solar Farm	245	NSW	Commissioning
11	Flyers Creek Wind Farm	145	NSW	Under construction
12	Broadsound Solar Farm	376	QLD	Under advanced development
Total Owned Renewable Energy Assets		1,753		
Contracted Renewable Energy Assets				Contract Start Date
13	Cherry Tree Wind Farm	58	VIC	Dec 2018
14	Collector Wind Farm	136 [^]	NSW	Mar 2020
Total Contracted Renewable Energy Assets		194		
Firming Assets				Acquisition/Commercial Operation Date
15	Smithfield Gas Turbines	123	NSW	Acquired May 2019
16	Lake Bonney Battery	25	SA	Dec 2019
17	Bolivar Gas Turbines**	120	SA	Feb 2023
18	Wallgrove Battery**	50	NSW	Oct 2021
19	Broadsound Battery	180	QLD	Under advanced development
Total Firming Assets		498		
Total Capacity		2,445		

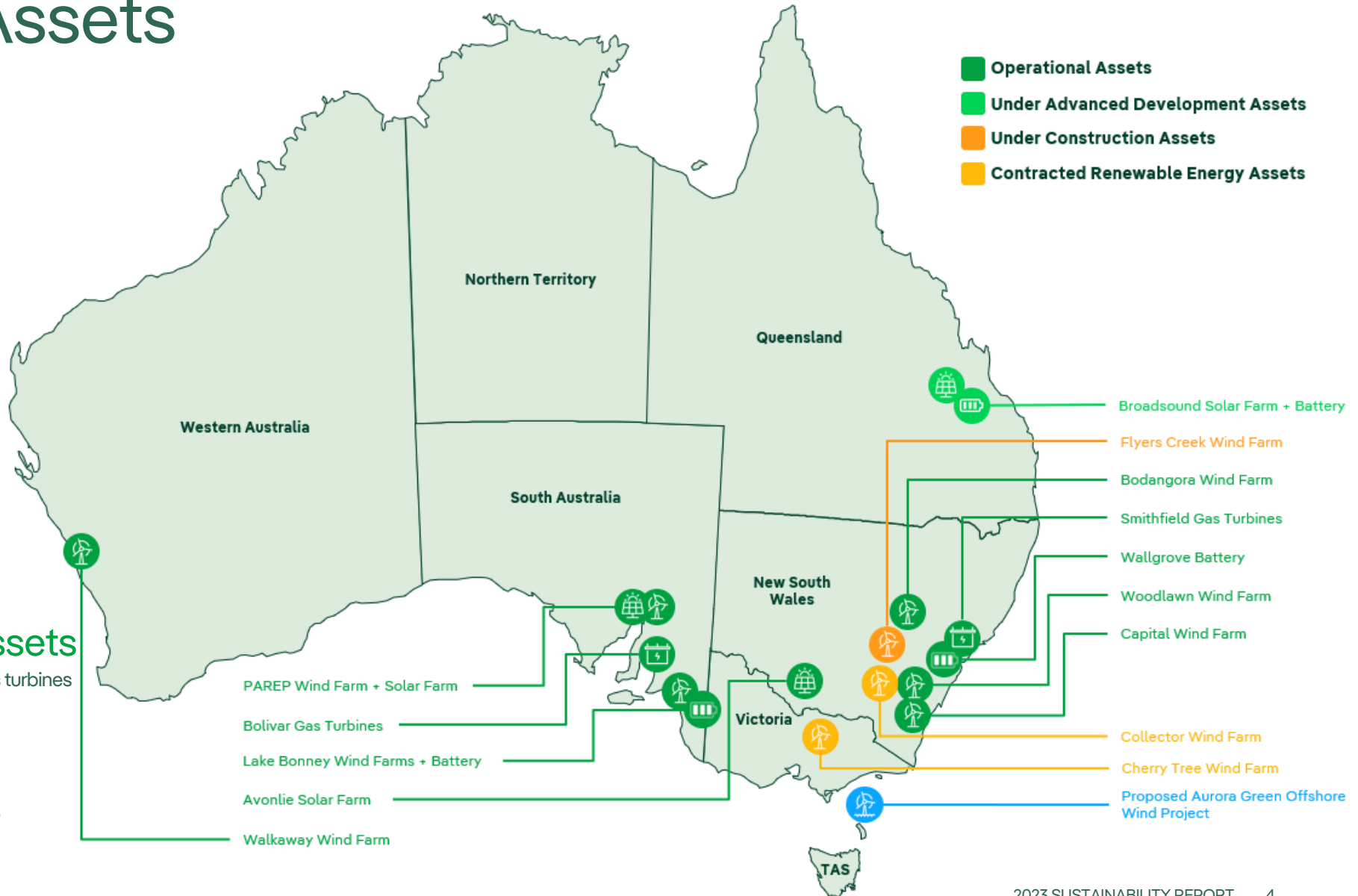
Our Assets

239
employees

10 sites
operating/under construction

5 Firming Assets
including batteries & gas turbines

4 Offices
in Sydney, Brisbane, Melbourne and Frenchs Forest



A Message From the CEO

I am pleased to introduce our 2023 Sustainability Report. It is our first local sustainability report as part of the Iberdrola Group.

Although we have operated under different names, our business now has a twenty-year history of pioneering the renewable energy transition in Australia.

The unifying strategic principle through this history has been the need for the local and global economy to progressively decarbonise in order to protect our planet from the impacts of anthropogenic climate change. This remains, of course, the core strategic principle for our business going forward.

In many ways, the national policy environment for decarbonisation has never been more supportive. The commonwealth government, and state governments are now all converging towards a collective acknowledgement that Australia's electricity grid will – due to both economics and engineering – transition away from its ageing and unreliable coal-fired power stations and towards a new system with categorically lower carbon emissions. All state governments, and the commonwealth government, now have express decarbonisation targets; supplemented, in most instances, by thoughtfully constructed energy transition plans that are designed to share the benefits of the energy transition with the widest possible set of Australians.

In other ways, however, Australia's energy transition is facing new challenges. The COVID-19 pandemic demonstrated the fragility of almost all global supply chains, including renewable energy sector supply chains. After a long period of very low interest rates, the local and global economy is facing higher costs of capital and higher inflation.

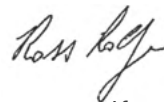
Rates of employment in Australia are very high and labour availability is therefore comparatively low. The transmission network continues to require extensions and capacity increases to unlock Australia's vast renewable energy resources. In this context, there has never been a greater need for collaboration between industry and government to help deliver a fair, orderly and timely energy transition in Australia.

“ At Iberdrola Australia, our daily conversations are about how our business can make significant contributions to this fair, orderly and timely transition. ”

At Iberdrola Australia, our daily conversations are about how our business can make significant contributions to this fair, orderly and timely transition. Our 2023 Sustainability Report highlights not only **what** we have contributed to the energy transition but also **how** we are going about it. Over the last three years our business has committed approximately \$2.5bn to almost 1.5GW of new renewable capacity investments across the country, helping over 200 large commercial and industrial customers achieve their sustainability objectives by transitioning to green energy. However, in our view, the way we have delivered this is equally important.

In that context, this report highlights the steps we are taking in respect of biodiversity conservation and enhancement, diversity and inclusion in the energy sector, training, jobs and skills for workers impacted by the energy transition, contributions and commitments to benefit sharing with the First Nations communities that host our assets and providing opportunities for small businesses and regional communities to capture the vast array of opportunities from the energy sector.

By collaborating with all levels of government, across the industry and with regional communities based on a shared commitment to the energy transition, we can deliver a brighter future for Australia.



Ross Rolfe
CEO and Chairman
Iberdrola Australia

By collaborating together and fairly sharing the benefits of the energy transition, we can deliver a brighter future for Australia.



OUR APPROACH TO Sustainability

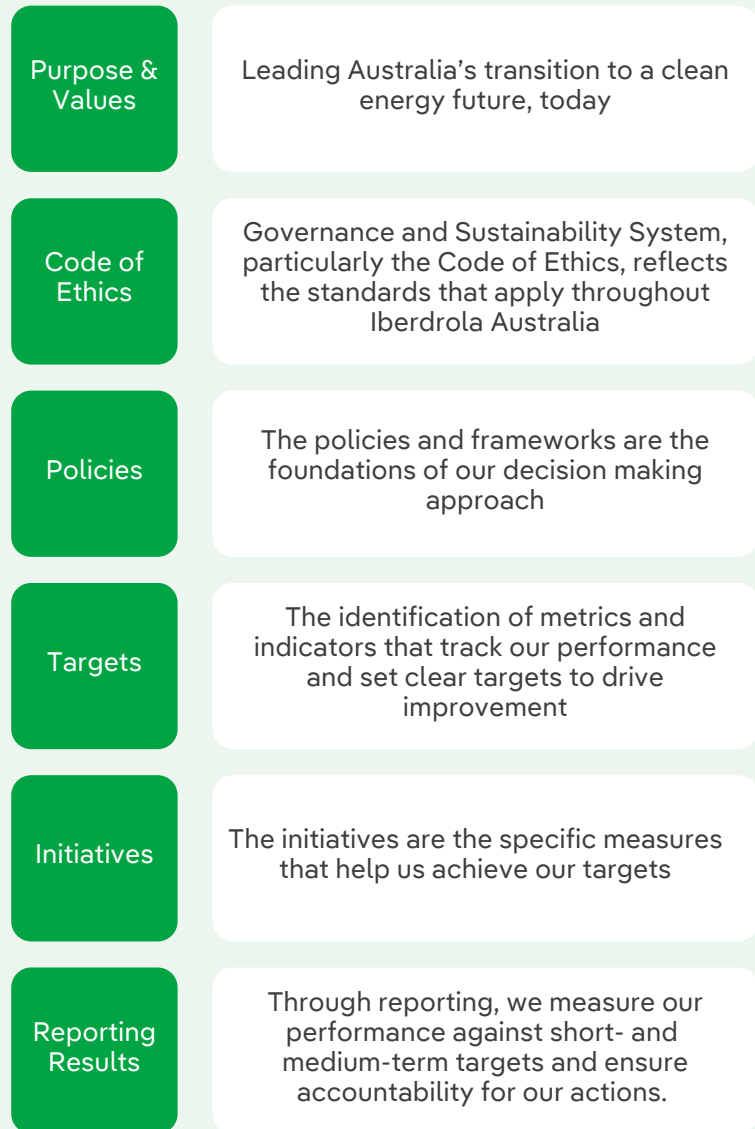
Sustainability is at the core of who we are, driven by our purpose to lead Australia's transition to a clean energy future, a mission we have been on for more than twenty years.

Supporting our drive to lead the Australia's energy transition, we have a series of layers that help us realise broad positive sustainable outcomes across a number of key focus areas. The Iberdrola Group Governance and Sustainability System provides us with a governance system in the context of creating sustainable outcomes; our local policies and plans ensure we have clear principles, target outcomes and initiatives for the key sustainability focus areas; while this Sustainability Report helps identify our progress in achieving our key sustainability targets.

The two core documents that help us realise our sustainability mission are our Social Licence Policy and our Sustainability Management Plan. Our Social Licence Policy defines our strategic approach to positive social outcomes and helps ensure our operations remain focused on achieving our Group's purpose, consistent with our values, while our Sustainability Management Plan provides a set of annual actions that direct our sustainability and social licence efforts, with a particular focus on practical on-the-ground initiatives. Both of these documents were developed in 2023, as our business seeks to take our positive sustainability initiatives to an ever-improving level.

This document is structured along the lines of what we consider our most important focus areas: our people, our planet, our communities including First Nations communities, our customers, our supply chain and our regulators.

In the following sections we discuss some specific initiatives, our targets to boost our positive impacts, and how we are currently tracking against these targets.



OUR APPROACH TO EARNING & RETAINING

Social Licence

Our approach to creating positive social outcomes for host communities is guided by the following principles, informed by our corporate purpose and values, and on-the-ground experience of our development, construction, and operations teams.

These principles have been chosen as an aspiration for the company, and as principles reflecting the nature of the Iberdrola Australia business and our workforce. Our Social Licence Policy should be considered as part of our broader sustainability system - driven ultimately by our corporate purpose and governed by our Code of Ethics. We believe that by creating positive social impact in, and for, the communities in which we operate will support these communities in realising the economic benefits of the energy transition.

OUR SOCIAL LICENCE PRINCIPLES

- A commitment to ensuring our activities impact host communities and the environment positively from project origination through the construction and operational phases of project life and, ultimately in decommissioning.
- Putting people at the centre of the energy transition through positive genuine and respectful relationships and engagement with First Nations people and regional communities.
- Creating a brighter future for all with a specific emphasis on disadvantaged and underrepresented segments of our society.

Host Communities



First Nations People



Our Planet



Our Employees & Contractors



Our Supply Chain



OUR APPROACH TO

Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) recommendations aim to assist businesses evaluate climate-related financial risks and opportunities by increasing transparency around our financial exposure to climate change for our stakeholders and partners.

In this report we aim to provide useful information regarding our financial exposure to climate change. We outline the economic, environmental, and policy settings that influence our financial sensitivity to climate factors. Within this context, we report against the four pillars of the framework: (1) Governance; (2) Strategy; (3) Risk Management; and (4) Metrics and Targets. We also outline the next steps in our ongoing adoption of the TCFD recommendations into our business processes and policies.

Governance: We treat climate-related risks as core business risks. The Board has ultimate responsibility for Iberdrola Australia’s risk management framework and delegated responsibility for overseeing its implementation and monitoring to the Enterprise Risk Management Committee (ERMC). As indicated in our Business Risks disclosures, we implement a “three lines” model for the management of business risks. See **Corporate Governance** and **Business Risks & Mitigations**.

Strategy: Iberdrola Australia is leading Australia’s energy transition through the production of renewable energy and the supply of firmed reliable green energy products and retail services to Australian Commercial and Industrial (C&I) customers. We address intermittency risks by maintaining a portfolio of fast-start firming assets to ensure reliable electricity supply. We take a customer-centric approach to provide them with reliable and competitively priced clean energy. We take a customer-centric approach to provide them with reliable and competitively priced clean energy. Our diversified renewable fleet combined with fast-start assets, enables us to offer renewable electricity products with fixed prices and volumes, protecting customers from price fluctuations. Our growth strategy is founded in the significant opportunities in decarbonising the Australian electricity sector to meet the Australian renewable energy target of 82% renewable electricity by 2030. See **Our Approach to Climate Change**.

Risk Management: Our Enterprise Risk Management Framework which is aligned with AS ISO 31000 outlines our risk oversight approach and includes climate-related risks and mitigations. See **Business Risks & Mitigations**.

Metrics and Targets: To lead Australia’s transition to a clean energy future, Iberdrola Australia is focused on reducing carbon emissions, promoting renewable energy, and creating a resilient energy landscape for generations to come. Key metrics are emissions intensity, Scope 1 and 2 emissions, and the Iberdrola Group target of net zero by 2040. See **ESG Scorecard** and **Net Zero by 2040**.

In 2020, we began implementing the TCFD recommendations in our regular business processes. In 2020 and 2021, we broadened our analysis of climate-related factors, particularly with chronic and acute climate-related risks. These include the potential financial impacts of heatwaves on our plant and a sensitivity to climate change induced variation in wind patterns.

Corporate Governance

The Iberdrola Group is a global energy leader with the parent company of the group being Iberdrola, S.A. domiciled in Spain. Iberdrola Australia is a wholly owned subsidiary within the Iberdrola Group and is the parent company of the Iberdrola Group’s operations in Australia.

Iberdrola Australia is committed to responsible corporate governance as outlined in the Iberdrola Group’s Governance and Sustainability System.

Corporate governance structures and processes within Iberdrola Australia aim to ensure the proper administration and operation of the various decision-making and oversight bodies within the business.

It is important to ensure proper corporate governance processes are in place facilitating accurate and timely information flows from the various business areas to the relevant decision-making and oversight committees. This enables senior management to identify the risks and opportunities of the business and allocate resources accordingly, all whilst ensuring ongoing compliance with applicable laws. Such management decision making is guided by the strategic areas of focus set by the Iberdrola Australia Board, as well as the budget and ongoing oversight by the Board.



Business Sustainability

The corporate governance framework implemented within Iberdrola Australia is supported by a number of working groups and other forums targeting specific areas of focus that reflect the identified business risks and corporate priorities of the business.

These various forums are vital to ensuring an ongoing sustainable business by driving and supporting positive progress and responding to emerging business and industry risks in areas such as people and culture, economic, social and environmental matters.



Photo: Wind turbines at Capital Wind Farm, NSW



Ethics & Compliance

Governance & Sustainability System

Iberdrola Australia aims to ensure that its conduct, and that of the people associated with it, comply and conform to generally accepted ethical and sustainable development principles, in addition to legislation and the Iberdrola Group's **Governance and Sustainability System**.

The company promotes a proactive culture based on the principle of “zero tolerance” towards participating in illegal acts and all forms of fraud and corruption.

To meet the highest ethical standards established in the Governance and Sustainability System, we implement a **Compliance System** to ensure that our actions are in accordance with ethical principles and applicable law.

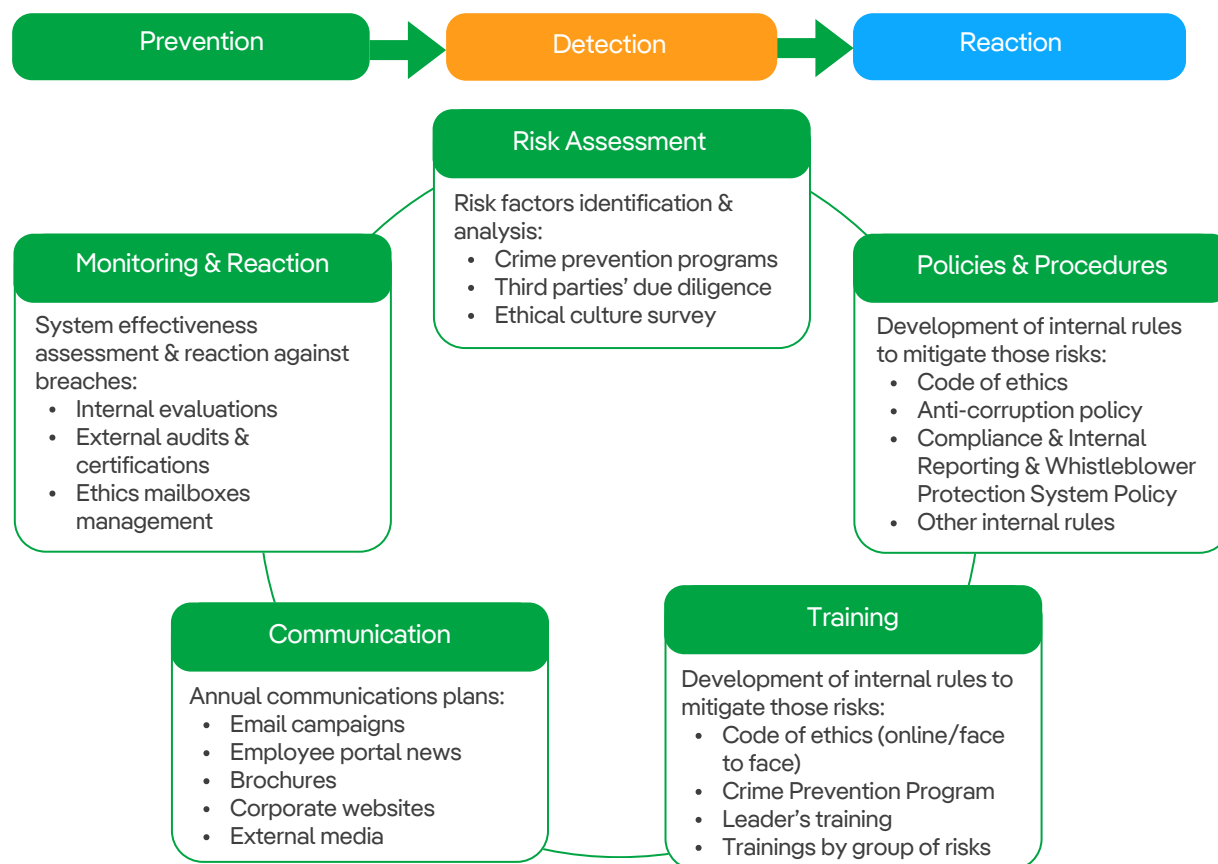
Periodic compliance risk assessments are conducted by the company, with an assessment completed in July 2023.

Ethics Training

In addition to our Code of Ethics and our Compliance System, we provide our employees with regular training and education to ensure appropriate and ethical conduct. This includes training to advance our commitment to create an inclusive and diverse work environment and to help ensure understanding of the importance of ethics and compliance in our complex regulatory environment. Annual training on ethics and compliance is mandatory for Iberdrola employees.

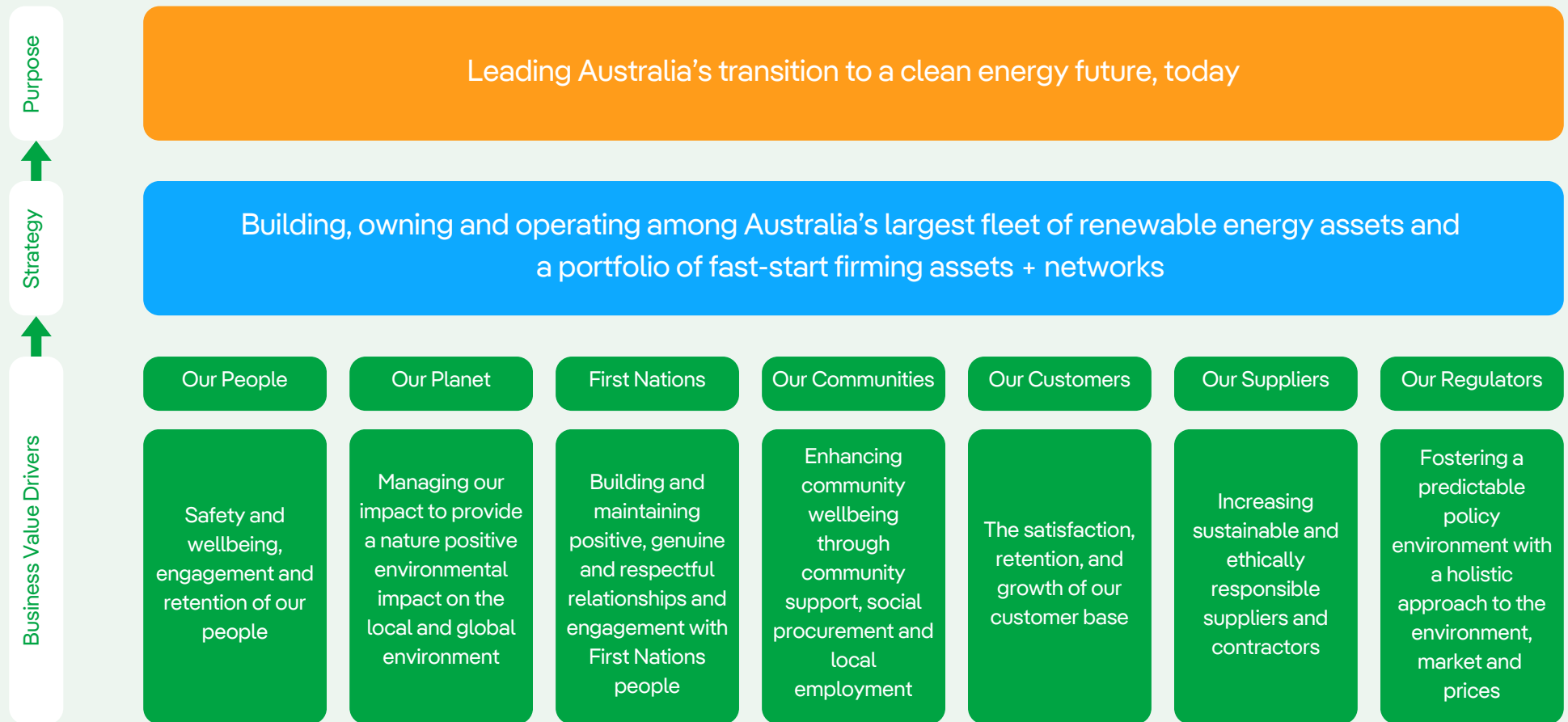
Compliance System

Our Compliance System is built from our Group Policies - Code of Ethics, Anti-Corruption and Anti-Fraud Policy, and Compliance Unit Regulations which have been adopted by the Iberdrola Australia Board.



Our Business Value Drivers

Iberdrola Australia’s business philosophy is focused on creating long-term shared value through the development, construction and operation of clean renewable energy facilities and infrastructure to enable the energy transition. We consider the impacts of our decisions on our communities, including First Nations communities, our people (our employees and contractors), our planet, our customers, our supply chain and our regulators.



ECONOMIC VALUE & DISTRIBUTION

We monitor our economic value generation by stakeholder using the GRI methodology.

In 2023, 8% of our direct economic generated revenues were invested in local communities.

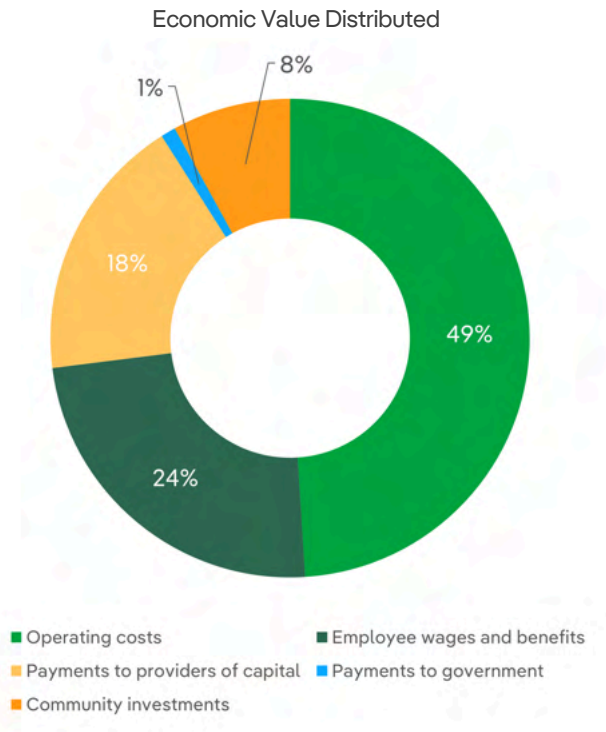


Photo: Installation of turbines at Port Augusta, Wind Farm, SA

OUR ROLE IN ENERGY MARKETS

Iberdrola Australia is a renewable energy generator and retailer, strategically focused on Australian C&I customers.

Over 98% of our generation is renewable, with the balance sourced from our flexible, fast-start assets which manage intermittency risks associated with wind and solar generation.

Our customers include manufacturers, food and beverage processors, telecommunications providers, building and construction companies, universities, local councils, other utilities and commercial enterprises.

Our customers are located in New South Wales, Victoria, Queensland, and South Australia in the National Electricity Market, and Western Australia in the South West Interconnected System. Our customers buy electricity products and carbon offset products from us in a variety of contractual structures over a variety of tenors.



AT A GLANCE

Our Performance in 2023

01

Our People

0

Lost Time Injuries

35%

female staff (up from 30%)

25%

headcount increase

reduced gender pay gap

11.1%

from 10.7% (total remuneration)

02

Our Planet

0

environmental incidents

1000

trees planted at Capital Wind Farm

98%

emissions-free electricity production

0.026

t CO₂/MWh emissions intensity

03

Our Communities

\$1 million+

directly invested into communities through donations and sponsorships

~\$18.7 million

given through indirect community investment

3

community consultative committees

AT A GLANCE

Our Performance in 2023

04

Our Customers

2.4GW
total capacity

2,900GWh+
total net electricity production

C&I load annual increase of
26%

101%
annual increase in
customers

05

Our Supply Chain

member of industry working
group to improve industry
response to
modern slavery
in the renewables supply chain

2,000+
suppliers

06

Our Regulators

12
formal submissions on
energy regulations

Active member of
leading industry
associations

100hrs+
of knowledge sharing
sessions offered to external
stakeholders

Business Risks & Mitigations

Iberdrola Australia's Risk Management Framework outlines our risk oversight approach, which aims to facilitate the achievement of Iberdrola Australia's business objectives, by ensuring that potential risks are identified and effectively managed.

The Iberdrola Australia Board has primary responsibility for risk oversight, including ensuring that the effectiveness of the Risk Management Framework is reviewed regularly. The Chief Risk Officer (CRO) supports the work of the Enterprise Risk Management Committee which oversees the Risk Framework. The CRO reports to both the Iberdrola Australia Board and the Chief Executive and Chairman on the status of key risks as well as Iberdrola Australia's compliance with risk policies.

In addition to our local policies and procedures, Iberdrola Australia also observes the Iberdrola Group global risk policies. These policies serve to:

- identify the main structural risk factors the Iberdrola Group faces;
- define basic principles of action with regard to risks; and
- establish qualitatively (guidelines) and quantitatively (in the form of limits and indicators), the annually accepted risk appetite both at the Group level and for each of its main businesses and corporate functions.

The Iberdrola Australia Risk Management Framework has been designed and developed in line with the principles and guidelines outlined in AS ISO 31000:2018 Risk management - Guidelines.

Iberdrola Australia adopts the "three lines" model of risk management. The first line is comprised of all individuals in the business who are responsible for managing the risks associated with their activities. The second line includes assurance functions and oversight committees (e.g. the Health, Safety & Environment Committee and the Energy Risk Committee). The third line includes internal and external audit which provide independent review, monitoring and testing of compliance with risk policies and procedures.



BUSINESS RISKS & MITIGATIONS

Health & Safety

Risk of events occurring that may result in harm to our people or third parties

Iberdrola Australia's **Health and Safety Policy** establishes a common framework for the control and management of health and safety risks in the conduct of our activities. This Policy is supplemented by site-specific Safety Management Systems.

Regular reviews of our safety risks are overseen by the Iberdrola Australia Board, the **Enterprise Risk Management Committee** and the **Health, Safety & Environment Committee**.

Employee Engagement & Retention

Risks in attracting and retaining high calibre professionals in a competitive labour market

We undertake graduate recruitment from the top Australian universities and a scholarship placement program with the University of NSW.

A variety of employee-focused committees are designed to ensure we meet or exceed best practice employment conditions.

A variety of social programs and initiatives are conducted at our sites, such as an annual **community fun run** at our Woodlawn Wind Farm; a **staff tree planting day** to regenerate the habitat of endangered birds; ongoing staff sports and other events which encourage staff participation to maintain a positive corporate culture.

Staff surveys are undertaken to monitor employee engagement with findings assessed and actioned by the executive group.

Photo: Iberdrola Australia employees at Port Augusta Renewable Energy Park (PAREP), WA

BUSINESS RISKS & MITIGATIONS

Environmental Impacts

Our assets are largely located in rural and regional Australia. The development and operation of our assets may adversely impact the environment

Strong commitment to the protection of nature, and the 2030 Biodiversity Plan, which applies to the entire Iberdrola Group and sets out our commitment to **Net Positive Biodiversity by 2030**.

We regularly monitor the impact of existing assets and design and implement responses to emergent risks.

Our development process seeks to develop assets in areas where minimal disruption is expected to occur.

Our development projects have robust and enforced environmental management plans.

A partnership project with the University of NSW that is focused on determining a best practice approach to help our assets minimise negative and maximise positive environmental impacts.

We are developing an Environmental Management System to ISO 14001 standard.

Climate Change

Our business may be affected by climate change, extreme natural phenomena and pandemics, both globally and locally

Iberdrola's Climate Action Policy framework encompasses the Group's strategy and business model in the fight against climate change, which is in line with the Paris Agreement and the 2030 Agenda.

Iberdrola Group has extensive experience in the management of risks accelerated by climate change, both physical (at the operational level) and transitional (such as regulatory and market risks).

A diversified business (from the business, geographic and technological standpoint), with low percentage or production from gas assets and no coal plants. The emissions from gas plants are subject to a commitment to fully offset our emissions (scope 1 and 2) from generation and electricity distribution by 2030, in line with our goal to be carbon neutral in generation and electricity by 2030. See **Net Zero by 2040**

Analysis of climate change risks for all new investments, and in planning and decision-making processes.

We are preparing to report under proposed new Australian Sustainability Reporting Standards (ASRS) including Disclosure of Climate-related Financial Information.

BUSINESS RISKS & MITIGATIONS

Social Licence

Risks associated with social and community reaction to the energy transition generally, or regarding the activities of Iberdrola Australia specifically

Our **Social Licence Policy** sets out our strategic approach in creating a positive social impact in the communities in which we operate and helping these communities to realise the economic benefits of the energy transition.

We work closely with the communities in which we live and work to make an enduring contribution to social and economic wellbeing in regional Australia. We seek to hire from the local community, where possible; support the local community through sponsorship of local events and initiatives (including those profiled in this report); and maximise the local economic contribution via capital and operational expenditure. These objectives are progressively enshrined in practice and policies to ensure they are embedded into the way in which we do business.

Customer Satisfaction & Retention

Risks associated with customer satisfaction, retention and growth

We have made substantial investment in people and systems with the intention of exceeding customer expectations.

Our personal relationship managers provide bespoke energy solutions to our customers.

We have a **Customer Charter** that details our commitments in relation to the supply of energy to our customers.

Dependency on Critical Suppliers

Our business relies upon a functional and ethical supply chain to operate sustainably

Use of multinational equipment suppliers for the largest supplies - which have robust and verifiable supply chain management processes.

Ongoing monitoring of **human rights, modern slavery, compliance** with sanctions legislation, and compliance with anti-money laundering, corruption and bribery standards.

Leveraging off the Iberdrola Group procurement functions providing additional support as a leading international renewable energy developer.

Embedding into procurement policies a bias for local sourcing of the supply chain where possible.

BUSINESS RISKS & MITIGATIONS

Compliance Risks

Risk of non-compliance with national, state and local regulatory requirements applicable to the Iberdrola Australia business

Iberdrola Australia operates in the energy sector and is subject to national, state and local legislation, regulations and other relevant energy-related regulatory schemes. Operating in the energy sector also requires obtaining and ensuring ongoing compliance with relevant national and state-based licencing schemes. Our wind, solar and firming assets are also subject to site specific local government regulations and planning approvals.

Our approach to ensuring compliance with national, state and local regulatory requirements broadly involves:

- identification of relevant regulatory obligations;
- implementation of processes and controls to ensure satisfaction of relevant obligations, including:
 - appropriate resource availability;
 - employee training; and
 - internal tools to record completion of compliance tasks;
- ongoing monitoring to identify any regulatory changes, including ongoing liaison with regulators in a transparent manner;
- continuous improvement mechanisms, such as lessons learned reviews where any incidents arise, including identification of any re-training needs; and
- other internal reviews such as scheduling Internal Audit reviews to cover particular areas of compliance risk.

Operational Performance

Our operating assets may fail to perform as expected

We have a highly competent group of site managers who oversee operational performance at each of our assets.

Several of our sites have long-term Operations and Maintenance agreements in place with international original equipment manufacturers (OEMs) providing availability and performance guarantees and financial incentives for surpassing performance targets.

Iberdrola Australia maintains a Critical Infrastructure Risk Management Program which aims to identify and manage material risks of hazards that could have a relevant impact on its critical infrastructure assets (including cyber, personnel, natural disasters and supply chains).

BUSINESS RISKS & MITIGATIONS

Financial Risks

Exposure to volatility in variables including energy commodity prices, exchange rates, interest rates and inflation; contractual breaches by a counterparty; liquidity and market price changes

Our Treasury Risk Management Standard establishes minimum liquidity provisions in order to maintain enough funds available for upcoming financial requirements.

The Treasury Risk Management Standard also establishes foreign exchange hedging policies.

Interest rate risk is subject to market conditions that can be reasonably hedged to a certain extent.

Analysis and monitoring of detailed limits and monitoring of positions to limit the effects of volatility in the markets.

Analysis of counterparties and monitoring of compliance with limits, establishment of approval criteria, and monitoring of positions.

Regular market engagement ensures currency of information and relationships to support the business.

Energy Markets

Risks associated with managing our energy markets business, including volatility in energy and Large-scale Generation Certificate (LGC) prices

Energy market activities are governed by Board-approved energy risk policies and procedures.

Daily monitoring of positions occurs to ensure compliance with these policies and defined risk parameters.

Compliance with these policies is overseen by regular meetings of dedicated oversight committees, including the Market Compliance and Wholesale Compliance committees and the Board.

The Iberdrola Australia Energy Risk Management Standard (ERMS) involves asset-backed contracting of electricity production and environmental products, with the objective of ensuring a level of certainty of earnings within tolerable limits over varying tenors.

The Energy Markets Credit, Liquidity & Compliance Committee and the AFSL Committee monitor compliance with the ERMS and energy markets liquidity status and requirements on a regular basis.

BUSINESS RISKS & MITIGATIONS

Cyber Security

Cyber vulnerabilities and threat actors pose risks to the confidentiality, integrity, and availability of the business' digital assets and operating environment, with consequences spanning financial impact, regulatory breach, reputation harm, and loss of custom

A number of policies, procedures, and frameworks, informed by recognised international standards, in combination with regulator-mandated cybersecurity compliance obligations form the basis of our information security program.

These include:

- Australian Energy Sector Cyber Security Framework
- Iberdrola Australia Information Security Policy
- Iberdrola Global Security Framework
- Iberdrola Global Cyber Culture Rule
- Business Continuity and Disaster Recovery Plans

The organisation maintains collaborative relationships with Government agencies to provide timely access to confidential threat intelligence, which is augmented by engagement with professional peak bodies and networks, to maintain awareness of the dynamic threat environment in which we operate.

The Cyber Risk Committee, comprising the Cybersecurity Officer, Chief Information Officer, Chief Risk Officer, and other members of the senior leadership team, provides governance oversight functions.

Regulatory & Government Risks

Our business may be affected by adverse policy positions taken by government & regulators

We proactively engage with regulatory bodies, rule makers and policy makers, and are focused on providing constructive contributions to future market design.

Proactively contribute to the public conversation on the importance of clean energy in combatting climate change.

Photo: Wind turbines at Capital Wind Farm, NSW



Sustainability Goals Scorecard

ENVIRONMENTAL	METRIC	2022 ACTUALS	2023 ACTUALS	2025 TARGET	2030 TARGET	RELATED SDGs
Net Zero in scope 1, 2 and 3 by 2040	Scope 1 (tonnes CO2e) emissions from operations	44,621	45,790*	Implementation of decarbonisation plan aligned with SBTi	Carbon Neutral**	7 13
	Scope 2 (tonnes CO2e) emissions from operations	29,555	36,193*	Implementation of decarbonisation plan aligned with SBTi	Carbon Neutral**	7 13
	Scope 3 (tonnes CO2e) emissions from operations	n/a	n/a	^	^	7 13
Emissions Intensity	Emissions rate from power generation (tonnes CO2e/MWh)	0.028	0.026*	↓	↓	7 13
Storage capacity	Installed storage (GW)	1.94	2.44	↑	↑	7 13
Energy consumption	GJ	990,176	1,005,803*	↓	↓	7 13
Wildlife strikes/deaths	Number of bird, bat & endangered species deaths***	352	101*	^	^	15
Wildlife monitoring	Amount spent (\$) on bird and bat monitoring	85,883	126,548*	^	^	15
Conservation, restoration and tree planting	Number of trees planted	0	1,000	↑	↑	13 15
Net positive impact in 2030	% assets with biodiversity assessment and net positive biodiversity plan	n/a	n/a	20%	100% (Net positive)	13 14 15
Blade recycling	% of blades recycled^^	0	0	50%	100%	11 12 13
Solar panel recycling	% of panels recycled^^	0	0	50%	100%	11 12 13
Renewable electricity consumption in corporate buildings	% over total electricity consumption	100%	100%	100%	100%	11 13

*data is in scope for KPMG's Limited Assurance engagement, for more information see the **KPMG Limited Assurance report**

**Carbon Neutral on Scope 1 & Scope 2 according to the Science Based Targets initiative (SBTi) methodology

***Records at Bodangora Wind Farm only

^no target set

^^reflects extremely low incidence of blade and solar panel replacement.

Sustainability Goals Scorecard

SOCIAL	METRIC	2022 ACTUALS	2023 ACTUALS	2025 TARGET	2030 TARGET	RELATED SDGs
Employee diversity	Women as % of workforce	30	35*	^	^	5
	Men as % of workforce	70	65*	^	^	5
	Women as % of executive leadership**	0	23*	^	^	5
	Men as % of executive leadership**	100	77	^	^	5
	Women as % of senior leadership (general managers)	12	33*	^	^	5
	Men as % of senior leadership (general managers)	88	67	^	^	5
	Women as % of other managers	17	50*	^	^	5
	Men as % of other managers	83	50	^	^	5
	Women as % professionals	36	37*	^	^	5
	Men as % professionals	64	63	^	^	5
	Women as % of trades	0	0*	^	^	5
	Men as % of trades	100	100	^	^	5
	Staff turnover (%) (includes voluntary and involuntary)	11	12.3*	^	^	8
	Gender pay gap - median base salary (%)	n/a^^	10.7*	^	^	5
	Gender pay gap - median total remuneration (%)	n/a^^	11.1*	^	^	5

*data is in scope for KPMG's Limited Assurance engagement, for more information see the **KPMG Limited Assurance report**
 **Excludes CEO and Key Management Personnel
 ^no target set
 ^^2023 is the first year metric has been reported. Data is for year ending 31 March 2023 in line with WGEA reporting

Sustainability Goals Scorecard

SOCIAL		METRIC	2022 ACTUALS	2023 ACTUALS	2025 TARGET	2030 TARGET	RELATED SDGs
Report to Workplace Gender Equality Agency on Gender Equality Indicators	Annual report to WGEA pay certification	n/a	✓	✓	✓	✓	5
Incidents (employees)	Lost time injuries (LTI)	4	0*	0	0	0	3 8
	Lost time injury frequency rate (LTIFR)	0.87	0*	0	0	0	3 8
	Medical treatment injuries (MTI)	1	3*	0	0	0	3 8
	Total recordable injury frequency rate (TRIFR)#	5.40	5.23*	0	0	0	3 8
	Total recordable injuries (TRI)	5	5*	0	0	0	3 8
Community investment	Direct (\$'m)	0.566	1.084*	↑	↑	↑	8 10 11
	Indirect (\$'m)	31.004	18.683*	↑	↑	↑	8 10 11
Purchases from sustainable suppliers	% of total purchases	n/a	n/a	≥85%	≥85%	≥85%	16
Inclusion and diversity solutions	Number of solutions	n/a	6	↑	↑	↑	10
Human Rights Due Diligence procedure	Continuous review	✓	✓	✓	✓	✓	7 11 13
Formal Stakeholder Engagement Process	Keep increasing the deployment of the Stakeholder Engagement Process	✓	✓	✓	✓	✓	17
GOVERNANCE		METRIC	2022 ACTUALS	2023 ACTUALS	2025 TARGET	2030 TARGET	RELATED SDGs
Best practice governance and sustainability system	Maintain/or third-party assessment	✓	✓	✓	✓	✓	17
Independent validation of compliance system	Annual compliance audit	✓	✓	✓	✓	✓	17

*data is in scope for KPMG's Limited Assurance engagement, for more information see the [KPMG Limited Assurance report](#)

#In accordance with Safe Work Australia guidance. We also report as part of the Iberdrola Group using a rate of 200,000hrs which equates to a TRIFR of 1.05 for 2023 (1.08 for 2022)

01

Our People



Photo: Iberdrola Australia employees at Bodangora Wind Farm, NSW

WHO ARE Our People?

Our employees, contractors and directors are all critical to the long-term success of our business and the delivery of our business strategy.

Our people include our employees based in our Sydney, Melbourne, Brisbane and Frenchs Forest offices, the employees we have at our operating sites across Australia, and our contractors. Our people also include families, friends and groups that support us.

☞ We value the wellbeing of all employees and strive to find the right balance between home, work and life.



Photos (left to right): Iberdrola Australia team during the Burrendong Arboretum event; Iberdrola Australia team at the Run with the Wind finish line at Woodlawn Wind Farm, NSW

*Results of staff engagement survey

AT A GLANCE

239 employees

Our staff report:*

Good cooperation & teamwork

92%

Job satisfaction with opportunities to do challenging & interesting work

87%

Senior management's actions & behaviour are consistent with company values

93%

Empowerment & freedom to do my job well

95%

OUR APPROACH TO Our People

Our people want to contribute to a business whose brand, purpose, strategy and culture are aligned with their personal values. They want challenging roles, clear communication from management and flexibility in the way they manage their responsibilities. Our people want to be part of a successful team and want to be recognised for their contribution to our success.

The families of our people trust us with the wellbeing of their loved ones and trust us to return them home safely.

We seek to build strong, enduring and supportive relationships with our employees based on trust and mutual respect.

Whilst acknowledging individual accountability and diversity of opinion, we strive for the achievement of collective results.

We recognise that our life experiences make each of us unique. We value the wellbeing of all employees and strive to find the right balance between home, work and life without compromise to achieving our corporate goals and a commitment to equity and fairness in its application.

“ Our people want to be part of a successful team and want to be recognised for their contribution to our success. ”



Photos (top to bottom): Iberdrola Australia's team at the Burrendong Arboretum event; Iberdrola Australia's team at the Bring Back the Black tree planting event at Capital Wind Farm, NSW

Spotlight: Staff Engagement Survey

At Iberdrola Australia, we listen to our staff and respond to their needs and issues. We seek ways to hear from employees through informal and formal feedback mechanisms.

Our recent staff survey highlighted a positive workplace dynamic characterised by supportive, empowering relationships between management and staff.

Employees reported that they enjoy high levels of autonomy and agency, contributing to a proactive and self-directed work environment which is committed to achieving a common purpose.

Staff noted the responsiveness of management which fosters a supportive atmosphere.

Our employees perceive a high correlation between their individual roles and the company's strategic objectives. This alignment underscores our employees' commitment to the company's values and goals.

Photo: Iberdrola Australia employees at Bodangora Wind Farm, NSW

Our employees expressed a strong desire to expand their skills and knowledge and actively seek education and training opportunities aligned with their work. They also identified the importance of collaboration in team work as key priorities.

We recognise this enthusiasm and acknowledge the need to enhance access to further professional development to meet the needs of our dedicated and motivated workforce as well as to promote internal measures to strengthen collaboration and teamwork.

Our employees are engaged and challenged by their work.

“ Our employees rate us higher in many aspects compared to a high performing norm (based on 540,000 employees in 50 high performing organisations around the world.) ”



FOCUS ON

Diversity & Inclusion

Iberdrola Australia runs a **Diversity & Inclusion Working Group** with the objective of advancing diversity and inclusion initiatives in Australia in line with the Iberdrola Group priorities based on input from the D&I Working Group as well as the broader group of employees. The company has delivered the following initiatives:

- Women in Energy Network;
- Working Parents Group;
- Partnerships with universities;
- Participation in the Clean Energy Council’s scholarships;
- First Nations scholarships; and
- Engagement with unions on promoting women and First Nations people into the energy workforce of the future.

The Workplace Gender Equality Agency (WGEA) is an Australian Government agency created to promote and improve gender equality in Australian workplaces.

WGEA published the **Gender Pay Gap** for the very first time in February 2024.

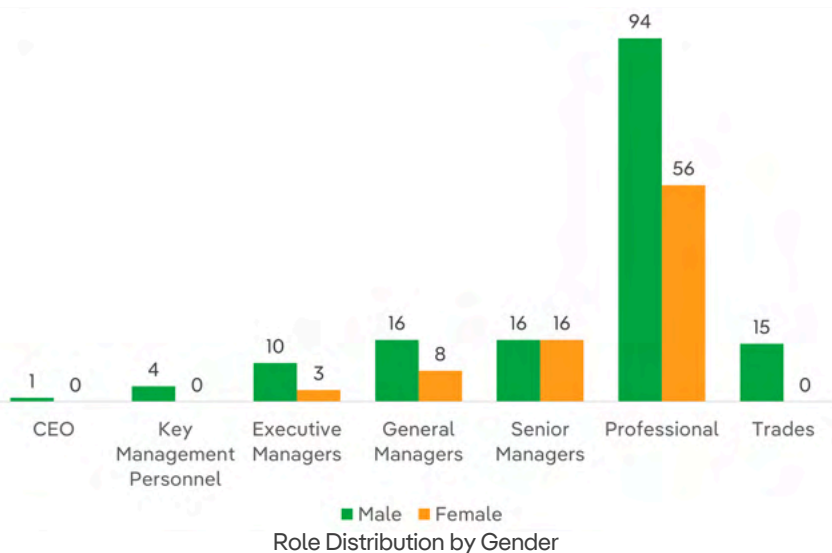
For the period of 1 April 2022 to 31 March 2023, Iberdrola Australia performed well against industry and out-performed the majority of electricity generators.

In 2023, Iberdrola Australia took further steps to address diversity by setting the following targets:

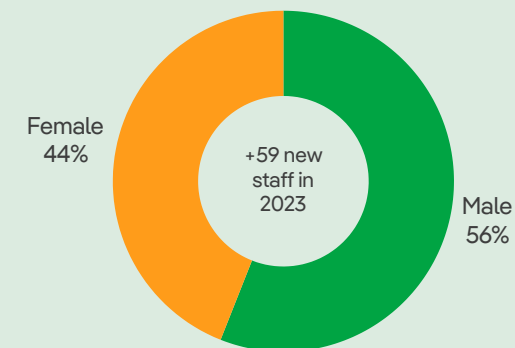
- A minimum of 35% of female representation across all tiers of Iberdrola Australia.
- 50/50 gender split of graduates, interns and scholarship recipients.

We are actively working to close the gap by collaborating with schools and universities to promote opportunities for women in the energy industry; and through our partnership with the Clean Energy Council, we promote graduate opportunities and scholarships such as the Chloe Munro Scholarship.

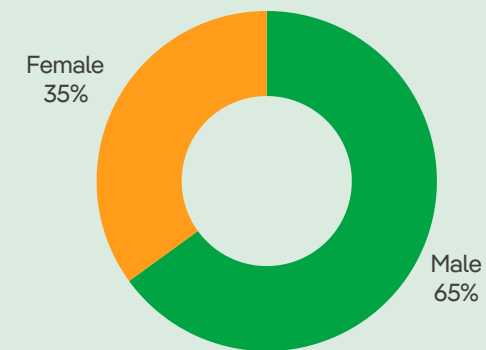
In 2023 we also established Diversity & Inclusion targets for our major contractors including for First Nations and female apprenticeships and traineeships. See **Responsible Procurement**.



AT A GLANCE



New employees by Gender



Employees by Gender



Photo: 2023 Women in Energy Network event

Spotlight: Women in Energy Network

The **Women in Energy Network (WIEN)** is an energy industry initiative founded by Iberdrola Australia and proudly supported by the company to improve gender diversity and inclusion at an organisational and industry level. The network’s mission is to advance women in the energy industry through a range of networking, knowledge sharing and leadership opportunities for participants.

The WIEN connects and unites people across the Australian energy industry with the common goal of ensuring a fair and just energy transition. In 2023, WIEN hosted 6 events with 20 speakers from across the energy industry. The events were held in Sydney, Melbourne and Brisbane and saw over 400 people in attendance. Since its inception in 2022, WIEN’s mailing list has grown to over 200 people, and there are now over 1000 followers on **LinkedIn**.

In 2023, WIEN was also a finalist in the Diversity & Inclusion category for the Clean Energy Council Awards.

The WIEN’s successes to date include:

- conference stand and speaker at the Australian Wind Energy Conference;
- hosting 6 network events;
- Equal by 30 signatory;
- Government Women in Energy Roundtable;
- showcased in Energy Magazine; and
- started a conversation on gender equality.

Looking ahead, WIEN aims to:

- grow the committee;
- expand the number of events across Australia;
- provide a platform for women in the network;
- establish a working committee and undertake self-assessment; and
- establish a school program.



Spotlight: Chloe Munro Scholarship

The **Chloe Munro Scholarship for Transformational Leadership** is a prestigious initiative established by the Clean Energy Council in honour of the late Chloe Munro AO, a trailblazer in the clean energy industry. The aim of the scholarship is to empower emerging and mid-level female leaders in the fields of renewable energy, energy management, and carbon abatement.

Successful applicants are awarded a fully funded scholarship to participate in either the Executive Ready course or the Leading Edge course offered by Women & Leadership Australia. Through this program, recipients not only enhance their leadership capabilities but also foster collaboration to drive positive change in the Australian energy sector. The scholarship is a testament to Chloe Munro's legacy and commitment to advancing women's leadership in clean energy.

Iberdrola Australia is a proud partner, as well as a proud employer of past scholarship recipients of the Clean Energy Council's **Chloe Munro Scholarship**.



Equal by 30

Equal by 30 is an international campaign aiming to advance gender equality in the clean energy sector. It focuses on three key areas: equal pay, equal leadership, and equal opportunities for **women in the energy sector by 2030**. The campaign seeks to eliminate barriers that hinder women's access to professional growth opportunities such as recruiter bias and limited access to career development support and mentorship programs.

In 2023, Iberdrola Australia became an official signatory to the campaign endorsing the key private sector principles:

- Aim to lead by example, integrating equality principles into our organisation and policies, and will step up our efforts to promote gender diversity activities, in areas of recruitment and career advancement in particular.
- Pledge to highlight and support women, and close the gender gap, by promoting actions in our business.
- Provide leadership, and share our experiences and lessons learned on gender diversity programming and initiatives.
- Recognise the importance of reporting on progress and will support efforts to improve the collection of gender disaggregated data so that we can report on our progress in a transparent, open manner.

By signing up to Equal by 30, we join a global network of companies, governments and institutions dedicated to driving meaningful change and accelerating progress toward gender equality in the clean energy sector.



Spotlight: Working Parents Group

The Working Parents Group is an employee initiative established in 2023. By listening to employees' concerns about balancing family and work, reviewing policies and practices, the Working Parents Group was able to achieve improvements in the work-life balance for employees, especially those with families.

Following work from home arrangements during the COVID 19 pandemic, a key discussion focused on how to redesign work practices and operating principles that promote the delivery of the company's purpose, incorporating flexibility, respects the principles of equity and fairness and promotes a supportive collaborative culture that is sustainable.

The Working Group worked with the wider **Diversity & Inclusion Group** to align priorities with the objective of establishing Iberdrola Australia as an employer of choice in the energy sector and work towards gender equality for female parents in line with **SDG Goal 5 (Gender equality)**. The Working Group focus on the needs of both new female and male parents in designing strategies to advance the goal of gender equality.



Photo: Baby Matilda sitting on the meeting table at the Working Parents Group at the Sydney office



AT A GLANCE



Increased child support allowance

\$4,500 net per child



Long service leave

now includes paid and unpaid parental leave when calculating entitlement



Increased flexibility to schedule leave

by eliminating the primary/secondary definition



Flexible paid parental leave

can now be taken within 36 months after child's birth or adoption



Eliminated 12 month service requirement

before being entitled to take paid or unpaid parental leave



650 to 750 hours

increased paid parental leave

OUR APPROACH TO Health & Safety

Our Goal is to
achieve Zero Harm.

At the core of our values is the health and safety of our people and that of the communities in which we operate. This means that we are relentless in the pursuit of creating a culture where our people and communities thrive and are not harmed by our activities.

Iberdrola Australia also actively engages to influence employee and contractor safety, using methods such as workshops, regular meetings, and safety audits.

We work particularly closely with the contractors that provide long term operations and maintenance services to ensure best practice is adopted and, where relevant, to implement learnings.

We are an active member in a number of industry organisations, such as the Australian Energy Council Occupational Health & Safety Working Group and the Clean Energy Council, which collaborate to minimise the safety risks inherent in operations.

The purpose and basic principles of the Iberdrola Group regarding occupational health and safety translates to the following **commitments**:

- The greatest level of importance is placed on the health, safety, and wellbeing of our people.
- Meeting or exceeding legal and other requirements in relation to health and safety.
- Elimination of threats and reduction of risks to health and safety with a strong focus on the application of a “hierarchy of controls”.
- Integration of health and safety standards in all decisions, business processes and work methods.
- Members of the management team, managers, technicians, employees, contractors, and other workers, as well as visitors, take full ownership of their responsibilities while at work or at our workplace.
- Continuous improvement of our health and safety systems.
- Consultation and participation of all workers in workplace safety and health decisions.

Photo: Iberdrola employees getting ready to climb and service wind turbines

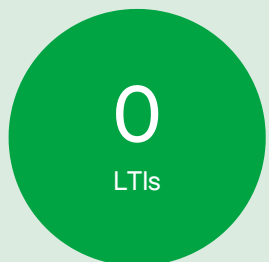


OUR PERFORMANCE IN Health & Safety

Iberdrola Australia’s safety performance is measured on a rolling 12-month basis, in accordance with the standards of **Safe Work Australia**. Our Goal is to achieve **Zero Harm**.

	2022	2023	
Lost Time Injury (LTI)	4	0	↓
Lost Time Injury Frequency Rate (LTIFR)	0.87	0	↓
Medical Treatment Injury (MTI)	1	3	↑
Total Recordable Injuries (TRI)	5	5	—
Total Recordable Injury Frequency Rate (TRIFR#)	5.40	5.23	↓
Work-related Employee Fatalities	0	0	—
Work-related Contractor Fatalities	0	0	—

AT A GLANCE



#In accordance with Safe Work Australia guidance. We also report as part of the Iberdrola Group using a rate of 200,000hrs which equates to a TRIFR of 1.05 for 2023 (1.08 for 2022)

Photo: Hardhats and safety vests



ENSURING A JUST TRANSITION TO CLEAN ENERGY

Our Commitment to Workers

Iberdrola Australia is committed to providing meaningful and appropriately rewarded employment to both our current and future workforce. Our approach to workers considers our relevant workforce as both the current and future individuals employed by Iberdrola Australia, as well as those individuals employed by the companies we engage to help build and operate our facilities.

As we decarbonize the energy economy, we are focused on ensuring workers benefit in the transition to the clean energy economy. To accelerate climate action, we need to ensure a just transition that generates prosperity for the whole of society and take an inclusive approach, suitably protecting workers and creating quality jobs.

In 2023, Iberdrola Australia was proud to have delivered on a number of key initiatives with respect to a just energy transition for our workforce, including:

- Achieved diversity goals of minimum of 35% female representation across all tiers Iberdrola Australia, and a 50/50 gender split of interns & scholarship recipients;
- Hired 11 new graduates (with commencement in 2024 and a target gender split of 50/50);
- Introduced contractor requirements for minimum diversity and inclusion targets (see Focus on **Project Workforce Composition**);
- Launched our Iberdrola Australia First Nations Scholarships program to support Aboriginal and Torres Strait Islander students in renewable energy and in early 2024, awarded scholarships to three outstanding applicants; and
- Engaging unions and training organisations to produce a skilled and diverse workforce of the future.

In 2023, Iberdrola Australia signed a Memorandum of Understanding (MOU) with a key Australian union that reflects our intent and provides us with a framework to realise the benefits and mitigate the impacts of the energy transition in a way that is just and fair. The MOU embraced a number of core principles, including:

Respect: Acknowledge the changing energy sector and commit to positive outcomes for the workforce, families, and communities.

Secure Jobs: Ensure fair pay, conditions, and opportunities for growth in the energy industry.

Partnership: Collaborate with unions, government, and business for an orderly energy transition.

Diversity: Promote diversity and inclusion, encouraging women and First Nations people to join the industry.

Inclusivity: Consult all parties affected by the transition to minimise negative impacts and maximize benefits.

Choice: Empower individuals to make informed career choices early on.

Safe, Reliable, Affordable: Support the provision of electricity.

Empowered Communities: Engage with impacted communities, provide job opportunities, and support new industries.



FOCUS ON

Project Workforce Composition

To further our inclusion and diversity goal, in 2023 we incorporated minimum targets in all our major construction contracts.

Contractors are obliged to use reasonable endeavours to achieve these minimum targets for the inclusion of **under-represented groups** in the total workforce; female apprentices; and **Indigenous economic community participation**.

Under-represented groups here refer to women, long-term unemployed, young people (15-24) and people with characteristics described in the *Anti-discrimination Act 1977* (NSW). Our **Economic participation** target can be achieved through a combination of Indigenous business involvement, employment and/or through expenditure on education, training or capability building.

LONG-TERM TARGETS



Photo: Electrogroup Renewable Energy Training Facility in Brisbane, QLD

Spotlight: Training tomorrow's renewable energy workforce



Electrogroup's Renewable Energy Training Facility in Brisbane, QLD, is a specialist electrical training facility for the benefit of the electrotechnology industry. Electrogroup provides safe, competent and highly skilled apprentices and tradespeople for the electrotechnology industry.

Iberdrola Australia has provided Virtual Reality data and technology to the facility to assist in training apprentices in this industry vital to the clean energy economy.



Our Planet 02

Photo: Glossy Black Cockatoos perched on a tree.
Credit: Far East Victoria Landcare

OUR DEFINITION OF ENVIRONMENT

We consider our environment to be both local and global.

Our local activities contribute to global efforts to address climate change and biodiversity loss by building a sustainable future for Australians and our planet.

Locally, our generation assets operate within rural and regional Australia, with offices in the central business districts of Sydney, Melbourne and Brisbane and in Frenchs Forest in Sydney. In these local environments, we consider how to minimise our impacts and improve resource efficiency, protect biodiversity and conserve natural ecosystems.

Globally, we are supporters of the Paris Agreement’s objective of keeping a global temperature rise this century well below 2 degrees Celsius. We measure and monitor our carbon emissions.

Our emissions are low, and since 2019, we have **offset 100% of our office emissions** with renewable energy.

We believe that preserving, protecting and, where necessary, remediating the natural environment, is essential for the wellbeing of current and future generations.

*8 owned or long-term leased and 3 offtake projects

Photo: Fencing the new saplings planted during the Bring Back the Glossy Black event at Capital Wind Farm, NSW

OUR APPROACH TO THE ENVIRONMENT

The significance of protecting the nature-related values of the environment affected by the energy transition is increasingly important through the origination, development, construction and operational phases of projects. We are working closely with practitioners and researchers in this field to develop and apply best practices to achieve these objectives.

Renewable energy generation is central to our business strategy and the achievement of our purpose to lead Australia's transition to a clean energy future.

In 2023 we generated and sourced around **2,900GWh** of renewable energy from **11 projects*** across Australia – enough electricity to power over **570,000** Australian households.

The fact that we generate renewable electricity is of great importance to our staff. In 2023, 79% of Iberdrola Australia staff offset their household electricity usage through our **Green the Team** project.



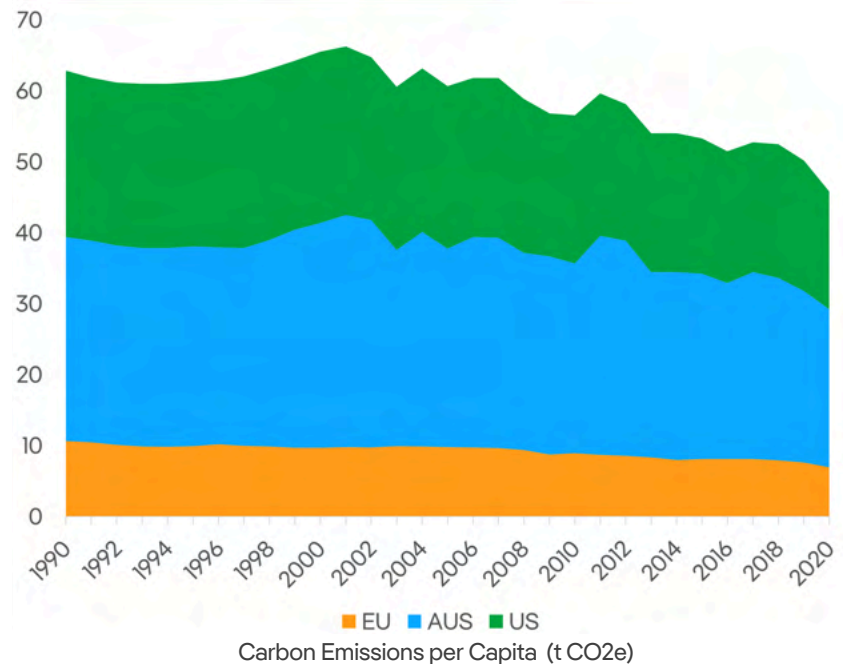
OUR APPROACH TO Climate Change



Australia's Energy Consumption

Renewable generation reached 39.8% of Australia's electricity mix in 2023. Despite recent growth, renewables remain a small component of Australia's total primary energy demand, representing just 8.9% in FY22, with the remaining 92.3% split between coal, gas and oil.

Australia's economy is significantly carbon-exposed due to its high Scope 1 and Scope 3 emissions, both in total and per capita.



Source: CLIMATEWATCH

The global community has declared the need to progressively move away from these products at an accelerated pace. Australia's primary markets for coal and gas have announced commitments to achieve net zero emissions, suggesting a limited lifespan for Australia's coal and, ultimately, its gas sectors.

We support the Paris Agreement. This is reflected in our business plan and regulatory submissions. Despite the ratification of the Paris Agreement by the Australian Government, alongside 185 other nation states, neither the world in general, nor Australia in particular, is on an emissions trajectory that will deliver the Paris Agreement target.

In 2023, approximately 30% of Australia's carbon emissions were the result of electricity generation. Urgent action is needed by fossil fuel consumers and producers in order to put us on an achievable trajectory towards the Paris Agreement target.

Energy Transition Opportunities

The adoption of renewable energy has been a key strategy in meeting Australia's existing emission reduction commitments with electrification playing a pivotal role in reducing Australia's emissions.

The energy transition provides opportunities for renewable energy, low carbon technologies, and energy efficiency. Iberdrola Australia's electricity generation is split between renewables (98%) and gas (~2%), with a business strategy predicated on using fast start firming assets (gas turbines and batteries) to accelerate the growth of renewables. The resilience of our business model will be determined by our ability to navigate the transition of Australia's energy system.

OUR APPROACH TO DECARBONISATION

Net Zero by 2040

Iberdrola Australia has embraced the Iberdrola Group approach to achieving net zero carbon emissions by 2040. Our decarbonisation plan is a multifaceted one incorporating the following strategies across the business:

- **Carbon Neutrality:** Iberdrola Australia aims to reach carbon neutrality in generation and electricity distribution by 2030 (scopes 1 and 2);
- **Net Zero Emissions:** The goal is to achieve net zero emissions across all activities, including scope 3, by 2040;
- **100% Renewables:** Transitioning to 100% zero-emission energy sources;
- **Intelligent Networks:** Developing networks that are more robust and fully digitalized;
- **Green Procurement:** Ensuring 100% green energy procurement and working with suppliers on joint emission reduction projects;
- **Green Solutions for Customers:** Offering green products and solutions, including electrification;
- **Alliances:** Forming alliances for green and decarbonised technologies;
- **Nature Positive Impact:** Aiming for a net positive impact on biodiversity by 2030 and adopting a circular economy model; and
- **Climate Governance:** Implementing a climate governance strategy to manage risks, maximise opportunities, and foster technological and business innovation.

These strategies are aligned with the Paris Agreement and the 2030 Agenda, reflecting Iberdrola Australia's commitment to a sustainable and efficient business model that leads the way towards a decarbonised and resilient economy.

ACHIEVEMENTS

98%
renewable
generation in 2023

0.026
t CO₂/MWh
emissions intensity

Our Goal
net zero by 2040

Photo: Iberdrola employee overlooking wind turbines



INNOVATING TO PROTECT & ENHANCE

Net Positive Biodiversity by 2030

We recognise that construction and operation of some facilities may result in the loss of protected habitat and species. Iberdrola Australia has set a net positive biodiversity target which we will achieve by adopting a strategic approach to maximising opportunities to enhance biodiversity in the regional context of renewable energy development.

Some simpler offset approaches have been less successful in contributing to biodiversity conservation. Rehabilitation and regeneration are net positive approaches that aim to do more than replace lost habitat by recreating the conditions for natural systems to regenerate and support the diverse life forces that have evolved in each unique bioregion.

Our target can only be achieved by taking significant action to conserve, rehabilitate and regenerate native habitats. Net positive approaches aim to do more than replace lost habitat, by providing increased habitat in order to maintain biodiversity.

We recognise that embracing a net positive biodiversity goal is ambitious, but critically important goal that must be pursued in parallel with emissions reduction.

A net positive biodiversity target will be achieved through a combination of approaches to protected habitat and species: avoidance; reduction; and rehabilitation.

Regional Development Opportunities

Iberdrola Australia has been a leader in the Australian renewable energy market for more than twenty years. Because we are an established renewable energy developer, builder and operator of wind and solar farms throughout Australia, we are able to draw upon two decades of experience in refining our approach to delivering projects in the regional context that focuses on capturing regional development opportunities as well as preserving nature-related values of the region.

This approach is particularly relevant in regions where we are planning projects of significant scale, for example in **North-West QLD** and Western NSW.

Photo: Saplings being planted by employees and their families during the Bring Back the Glossy Black tree planting event at Capital Wind Farm, NSW



Photo: Wedge-tailed Eagle.
Credit: Kelly Nowak.



Nature Positive Initiatives

Spotlight: Burrendong Arboretum, Central West NSW

Iberdrola Australia is delivering and has delivered a number of key initiatives to help support positive biodiversity outcomes in the regions in which we operate.

Commencing in 2020, Iberdrola Australia has worked with the Burrendong Arboretum, located near our Bodangora Wind Farm. In 2021, we commissioned a local environmental study and, following on from this study, committed to improving the habitats of four selected species through habitat improvement and installation of nesting boxes.

The four species are the wedge-tailed eagle, the yellow-bellied sheath-tailed bat, the grey-crowned babbler, and the brown treecreeper. The species were chosen on the basis that they were threatened species recorded at the Bodangora Wind Farm (recorded during our 5-year monitoring program), and important to the local Wiradjuri people.



Photo: Yellow-bellied Sheath-tailed bat. Credit: Heath Warwick.

25
nesting boxes for the brown treecreeper

10
nesting boxes for the yellow-bellied sheath-tailed bat

1
nesting platform for the wedge-tailed eagle



Photo: Grey-crowned Babbler.
Credit: Terence Alexander.



Photo: Brown Treecreeper.
Credit: Andrew Allen.

Spotlight: Bring Back the Glossy Black

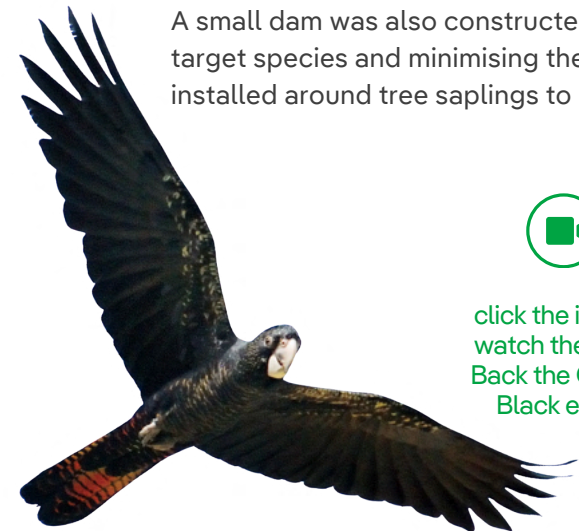
In 2023, Iberdrola Australia undertook the Bring Back the Glossy Black (and Gang Gang Cockatoo) habitat regeneration program to an area north-east of Canberra, in the vicinity of the Capital and Woodlawn wind farms.

The Glossy Black Cockatoo (*Calyptorhynchus lathamii*) and Gang Gang Cockatoo (*Callocephalon fimbriatum*) are threatened species native to the area and have historically been found near the Capital and Woodlawn wind farms.

In July 2023, we held a two-day event which included a team of approximately 80 Iberdrola Australia employees and their families planting over 1,000 *Allocasuarina littoralis* trees (a preferred food source for the Glossy Black Cockatoo).

Ecologists and arborists led the project which included the installation of 10 state-of-the-art nesting boxes for the Gang Gang Cockatoo. A further 10 nesting boxes are planned to be installed for the Glossy Black Cockatoo.

A small dam was also constructed, serving the dual purpose of providing a water source for the target species and minimising the risk of erosion for the newly planted trees. Fencing was also installed around tree saplings to protect against grazing animals such as feral deer.



click the icon to watch the Bring Back the Glossy Black event



80
volunteers involved



10
state-of-the-art nesting boxes installed



1000
Allocasuarina littoralis trees planted

Photos: (top right) Nesting boxes being installed during the Bring Back the Glossy Black tree planting event at Capital Wind Farm, NSW; **(bottom right)** *Allocasuarina littoralis*, a food source for the Glossy Black Cockatoo. Credit: <https://gardeningwithangus.com.au/allocasuarina-littoralis-black-she-oak/>; **(bottom left)** Glossy Black Cockatoo. Credit: Richard Fisher.



PROTECTING & ENHANCING Biodiversity

Bird and bat strikes are a significant concern for wind farms and solar farms. Bird and bat incidents can result in fatalities and have raised concern about the impact of wind energy on wildlife. Currently, bird and bat management is being conducted at Bodangora Wind Farm, and is a licence condition of other assets under construction.

Conscious of our need to understand the impacts of our facilities on the natural environment, Iberdrola Australia has undertaken five years of bird and bat monitoring by ecologists at our Bodangora Wind Farm as a licence condition of the facility. Armed with the data collected at Bodangora Wind Farm, we have committed to research to study the biodiversity impacts of wind and solar farms.

Iberdrola Australia will investigate how the biodiversity values can be enhanced at our wind and solar farms by studying our existing wind infrastructure at Bodangora. Using the **Taskforce on Nature-related Financial Disclosures** (TNFD) framework, the study will assess the biodiversity or natural capital assets using the LEAP (Locate, Evaluate, Assess and Prepare) approach established in the TNFD.

We have committed to partnering with the University of NSW on research to develop an improved understanding of these biodiversity impacts (and the gaps that impede this understanding),

The study will include research and testing potential harm reduction and enhancement interventions, and the development of wind and solar farm best practice guidelines.

In addition, we will work with local conservation groups to identify appropriate sustainability initiatives within or proximate to an existing facility to focus on developing nature-positive projects drawing on our experience with the **Bring Back the Glossy Black** project at Capital Wind Farm.

We are cognisant of the need for a collaborative approach with industry to understand and mitigate biodiversity impacts of our facilities on biodiversity across industry. We support the Clean Energy Council's initiatives in this area - focusing on data sharing and development of best practice guidance on the adoption of new technologies and practices to reduce risks to birds and bats, and enhance the biodiversity of the environments in which we operate.



UNSW
SYDNEY

AT A GLANCE

\$300,000

commitment to identify and test potential harm reduction and enhancement interventions

101

bird and bat strikes recorded in 2023 at Bodangora Wind Farm

\$126,000+

spent on bird and bat monitoring at Bodangora Wind Farm

BIODIVERSITY CONSERVATION

Port Augusta Renewable Energy Park

The Port Augusta Renewable Energy Park (PAREP) project in South Australia, is to date the **first hybrid solar-wind plant** of the Iberdrola Group in the world, combining 210MW of wind power with 107MW of photovoltaic power, for a total capacity of 317MW.

The project consists of 50 wind turbines and 250,000 solar panels. The plant generates enough clean energy to supply approximately 180,000 homes.

The hot, dry climate of the region presented a challenge to developing the site due to potential vegetation loss caused by traditional construction methods and resulting dust emissions.

Vegetation rolling is an innovative technique used in the construction of PAREP. This technique was developed to improve the outcomes for native vegetation and reduce air borne dust production on site by retaining soil stability and vegetation cover. The process was used to level an initial 62 hectares and ensured the soil crust and vegetation cover were maintained, as well as the roots of the plants, so the plant community could rapidly regenerate. The success of this pioneering technique was demonstrated in the rapid regrowth of the vegetation.

The vegetation rolling technique protected the biodiversity of the area and enabled habitat restoration in a short time, as evidenced by the reported observation of reptiles and insects within days of the vegetation rolling.

In response to the discovery of a large nest of a **Wedge-tailed Eagle (*Aquila audax*)** in the vicinity of PAREP, Iberdrola Australia involved a team of local avifauna experts to conduct periodic surveillance of the area to ensure the conservation of the nest and monitor for signs of bird activity.



317MW
installed capacity

50
wind turbines

250,000
solar panels



Click the icon to see the project win the 2021 SA Premier's Mining & Energy Award for Environment in the Energy Sector.



ADDRESSING BIODIVERSITY LOSS IN REGIONAL AUSTRALIA

North-West QLD Renewables Hub

We are committed to driving positive environmental outcomes, beyond our renewable energy developments that are helping decarbonise Australia's energy system. We are working to better understand the potential environmental impact the construction and operations of our renewable energy assets may have, including fauna displacement to identify opportunities that go beyond minimal compliance and offsetting biodiversity impacts.

North-West QLD Regional Development

Iberdrola Australia is focusing on the development of the 1.4GW **Mt James Wind Farm**, 80km north of Hughenden, QLD.

As part of a broader plan for a renewable energy hub in North-West QLD, we are investigating solar and battery developments, as well as the development of a Hydrogen Hub, consisting of a 200MW electrolyser.

We are looking to partner with the state and local government bodies, and other proponents of projects (generation and transmission) to achieve shared economic, social and environmental objectives. Our focus is on the delivery of infrastructure, including common-user Hydrogen infrastructure, road upgrades, critical water storage infrastructure, worker accommodation and tourism facilities, in a way that is both nature positive and builds regional community capacity.

Our nature positive approach for the region is to undertake early environmental planning work at a regional level to assess the natural values of the region, understand the regional ecosystems and how the development is best planned to ensure these are maintained in a healthy state. We rely upon both existing research findings as well as collaborations with research institutions and not-for-profit environmental organisations.

This research will inform comprehensive mitigation strategies to ensure wildlife

habitats continue to support healthy communities of native flora and fauna species, and will draw upon relevant scientific experts to guide the development of species plans.

We partner with industry, government, landholders, First Nations people, conservation groups and other interested parties to investigate opportunities to increase biodiversity indicators and nature regeneration to achieve a net positive biodiversity outcome.

North-West QLD
Renewables Hub

Photo: Bushland near site of Mt James Wind Farm, QLD



EMERGING TECHNOLOGY

Hydrogen

Transitioning to a net zero future in Australia involves scaling up renewable energy technologies and hydrogen deployment, with a focus on hydrogen derivatives like methanol due to its extensive industrial applications and existing infrastructure.

Despite methanol's potential as a renewable fuel, challenges remain around sourcing sustainable carbon and understanding the social acceptance of using biomass and CO₂ for methanol production. The debate around 'acceptable' carbon sources and the social licence required for establishing a methanol economy highlights key knowledge gaps.

These include public perceptions of biomass use, potential land use conflicts in regional areas, and the environmental impacts of methanol use in transport.

Addressing these issues requires comprehensive modelling and life cycle assessments to support renewable methanol production, alongside workstreams to build consensus on carbon sourcing and ensure community understanding and acceptance.

To address the transition to a net zero future with green methanol in Australia, Iberdrola is investigating two key workstreams:

The first focuses on technology mapping, economic modelling, and environmental impact assessments for green methanol production, aiming to deliver a journal paper, an enhanced open-source tool for commercial use, and a whitepaper for stakeholder engagement within 18-24 months.

The second workstream will develop a social licence framework through stakeholder consultations, producing case studies on green methanol facilities of varying scales. Together, these initiatives are designed to fill existing knowledge gaps and build community and industry understanding and support for sustainable methanol production pathways.

\$100,000
invested over
3 years for
hydrogen
research



Spotlight:

Partnering with ARC



In 2023 Iberdrola entered into a partnership with the Australian Research Council (ARC) Training Centre for the Global Hydrogen Economy (GlobH2E).

GlobH2E is an international consortium of research institutions, industry partners, government agencies and hydrogen start-ups.

The collaboration will advance research in environmental impact assessment for green methanol production. As part of this collaboration, efforts will also be directed towards the development of a comprehensive social licence framework.

This framework will play a pivotal role in establishing a strong case for the production and end-use of green methanol in Australia, fostering transparency, and engaging with stakeholders.

Iberdrola has donated \$100,000 to ARC over three years to sponsor a PhD candidate to deliver the research project.

REDUCING OUR EMISSIONS

Green the Team

In 2019, we embarked on a mission to revolutionise corporate sustainability with the launch of Green the Team. This groundbreaking program offers a straightforward solution for companies eager to support their staff in adopting renewable energy at home, without the need to switch energy retailers. Instead, renewable energy certificates are seamlessly surrendered on behalf of employees by Iberdrola Australia, with the cost shared by their employers.

Since its inception, **Green the Team** has blossomed, gaining momentum and enabling corporations to approach sustainability in a practical way at the individual employee level. Our journey began with internal implementation. As we introduced the program to our own staff, we witnessed firsthand the positive impact it had on their sense of personal empowerment to reduce their own carbon footprint. The enthusiasm and support from our employees inspired us to offer Green the Team to other companies.

One significant milestone in our journey was the delivery of Green the Team for our first external client, law firm KWM. The successful implementation underscored the growing demand for sustainable solutions within the corporate world for mechanisms to enable their employees to quantify and reduce their carbon emissions.

Recognising the importance of strategic collaboration, we partnered with a sustainability technology company to expand Green the Team's reach globally.



Moreover, our collaboration with a leading parking marketplace provider opened new avenues for sustainability by offering Green the Team to electric vehicle customers. As the world shifts towards cleaner transportation solutions, our partnership allows us to support electric vehicle owners in their journey towards sustainability, complementing our efforts to promote renewable energy adoption at home.

Together, these partnerships have propelled Green the Team into new territories, reaching individuals and businesses alike with a simple yet impactful solution for emissions reduction.

At home and at work, sustainability matters to Iberdrola Australia staff. Green the Team offers a practical way for organisations to participate in a sustainability initiative together and unify staff around a common goal.

Photo: Iberdrola employee seated at desk promoting Green The Team

ENHANCING BIODIVERSITY & RENEWABLE ENERGY TECHNOLOGY

Research Partnerships

Funding from the Iberdrola Group has enabled the establishment and funding of research partnerships with leading Australian universities. In 2023, Memorandums of Understanding (MOUs) were signed with the University of NSW; University of Queensland; and University of Melbourne.

In addition to Iberdrola's long-running student training program with UNSW (Co-Op program), these collaborations will foster cutting edge research in renewable energy, decarbonisation and nature preservation.

Advancing this collaboration was the establishment of a Funding agreement with UNSW, enabling key projects on topics including biodiversity and hydrogen. Further projects and research themes will be announced in 2024.

\$1 million
commitment to identify & test potential harm reduction & enhancement interventions



THE UNIVERSITY OF
MELBOURNE



UNSW
SYDNEY



THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

Photos: (top) partnership signing at the University of Melbourne; (below left) partnership signing at the University of NSW; (below right) partnership signing at the University of Queensland.



03 Our Communities



Photo: Nicole Saunders, 2024 Young Agribusiness Leader of the Year, Gippsland Food and Fibre Awards, and her family in Gippsland, VIC

WHO ARE OUR COMMUNITIES?

At Iberdrola Australia we recognise our significant role in, and obligations to, the communities of which we are part.

Whether we are building renewable energy facilities or operating our existing assets, we strive to develop and nurture relationships with relevant stakeholders. These relationships will lead to positive community support and create advocates for our projects and technology. We also seek opportunities to serve our communities through volunteerism, sponsoring projects that enhance quality of life and by creating opportunities for economic participation in the energy transition.

“ We strive to develop and nurture relationships with our partners and host communities. ”

Photo: The Village Square in Bungendore, near Capital Wind Farm, NSW

Our assets are on the traditional land of the First Nations peoples with whom we are committed to developing constructive, and respectful long-term relationships.

Our communities include our host landowners, neighbours, councils and community organisations at our development sites and operating facilities.

Our communities also comprise groups and industry bodies that have an interest in our business and operations, which includes community groups, universities, industry bodies, and the media.

OUR APPROACH TO COMMUNITIES

Our business depends on the support of the communities that host us and our assets. We seek to ensure our operations make valuable social and economic contributions to our communities and at the same time do not negatively affect the safety of the community, the natural environment or heritage. We engage in extensive consultation through the life cycle of our projects to ensure we communicate with and are responsive to our communities.

Our communities expect us to be genuine, cooperative and transparent in our communication.

They also seek our support to create fair, flexible and reasonable social and economic contributions reflecting our long-term relationship.

We engage our communities during the development stage by identifying the stakeholder groups relevant to our projects and establishing community consultative committees to seek feedback and address their concerns in relation to our development and operating sites. We maintain this engagement through the life cycle of our projects, endeavouring to always act openly, honestly and fairly.



Benefit Sharing

Community investment & benefits

Our investments in the community occur through a variety of channels. These include: social procurement through the purchase and use of local products and services; transport and accommodation services; employment at our operating facilities; sponsorship of community projects; and payments to landowners. We set annual funding targets in each community where we operate. We are committed to sourcing materials and services from locally based suppliers, and to reduce our impact on the environment from transportation in conjunction with our contractors.

The opportunities for investment to enhance infrastructure and services in local communities is assessed during the planning phase of a project and is subject to receiving development approvals from local authorities.

During planning and construction, we consider landowner interests when determining the location of access roads and site infrastructure, contributing to improved productivity for the landowner.

During 2023 we continued to support our local communities with over \$1 million spent on events, advocacy, engagements and donations to community enhancement and benefit funds established for our projects. In addition, we invested over \$18 million in local communities including \$2.1 million in local employment.

Iberdrola’s approach is to ensure the local communities of each of our facilities share in the benefits of our development.



Our approach to going green is holistic and based on recognising our impact on the environment and on communities. We seek to provide opportunities for communities to create prosperous futures arising from the energy transition.



Photo: Bungendore community, near Capital Wind Farm, NSW

HIGHLIGHTS

\$1 million+

directly invested into communities through donations and sponsorships

~\$18.7 million

provided through indirect community investments, which includes

\$2.1 million

in local employment



Spotlight: Bodangora Wind Farm Community Benefit Fund

As part of a Voluntary Planning Agreement with Dubbo Regional Council (DRC), Iberdrola Australia provides annual funds to the region for the life of the project. In 2023, over \$100,000 was given to the community. The majority of the funds were distributed through the Community Benefit Fund (\$60,000+), with the remaining going towards road maintenance (\$31,000+), and DRC administration (\$12,000+).

Distribution of funds from the Community Benefit Fund is decided by the local Community Consultative Committee established for the project. The following organisations received support in 2023:

- Barnardos Australia
- Stuart Town Action Group Inc
- Neurea Recreation Ground
- Wellington Junior Redbacks Rugby Union Club
- Stuart Town Advancement Association Inc
- Wellington Golf Club Ltd
- Mumbil Parents & Citizens Association Inc
- Red Cross (Wellington branch)
- Wellington Arts Centre Inc
- Wellington Town Band



Photos (left to right): 2023 recipients of the Community Benefit Fund; Wind turbines at Bodangora Wind Farm, NSW

Bodangora Wind Farm Community Enhancement Fund

Iberdrola Australia's Bodangora Wind Farm also supports community groups and events in the region through the Community Enhancement Fund, which was created during the construction phase of the wind farm. In 2023, over \$19,000 was donated to local groups including:

- Cudgegong Jump Club
- Wellington Rugby Club Inc
- Vintage Fair
- Binjang Community Radio
- Wellington Show 2023
- Local primary and high schools
- Wellington Eisteddfod
- Wellington Cowboys Junior Rugby League
- Country Hope
- Wellington Wedgetails



Click the icon to see more about how we work with the local community near Bodangora Wind Farm.

First Nations People

At Iberdrola Australia we are committed to fostering meaningful relationships with First Nations communities, founded on open and transparent communication, and a focus on the creation of lasting and meaningful social and economic opportunities.

To ensure respectful engagement, we encourage and seek to enable our staff and contractors to become culturally literate. This involves developing an appreciation of Australian Indigenous history, an understanding of First Nations people’s cultural heritage, and a respect for First Nations’ identity with Country. **Professor Valerie Cooms**, a Quandamooka woman from Minjerribah (or North Stradbroke Island) in QLD, Director of the Centre of Aboriginal Economic Policy Research at The Australian National University is a long-standing adviser to Iberdrola Australia. Professor Cooms’ role spans a number of different areas, including the development of our Indigenous Engagement Plan; the launch and award of our First Nations Scholarship Program; providing education and awareness sessions for our staff; and general advice on the engagement with First Nations communities.

With Australia undergoing a fundamental energy transformation, there is a great opportunity for a more socially and economically equitable future, one that is progressed in partnership with First Nations people.

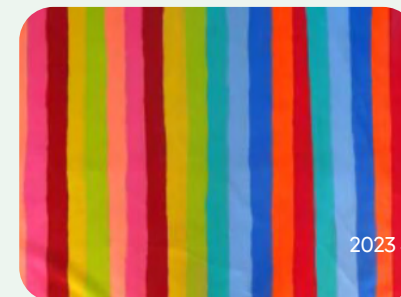
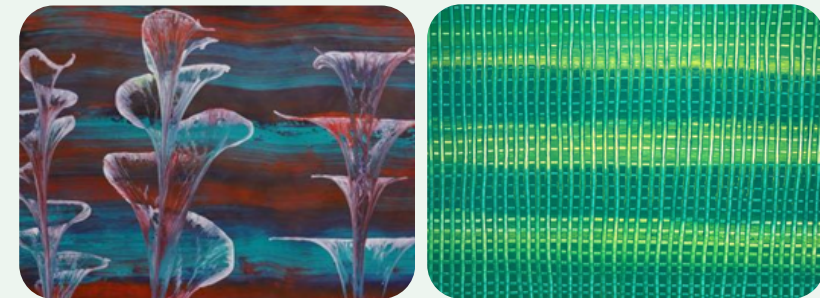
Our approach to First Nations engagement is defined by a focus on the following areas:

- Recognition of, and respect for First Nations rights and interests in land;
- Respect for First Nations organisational structures and representative bodies;
- Education opportunities for First Nations Australians;
- Economic opportunities for First Nations Australians;
- Develop relationships based on honesty, respect, and trust; and
- Uplift our cultural literacy of First Nations Australians, our shared history and Indigenous cultural systems, practices and values.

Spotlight: Lockhart River Community Art Auction

Since 2019 we have supported the Annual Lockhart River Community Art Auction. The Lockhart River Aboriginal community, located 850km north of Cairns, in Cape York, QLD is home to the **Lockhart River Art Gang**. Proceeds from the event and sale of paintings go to the local **Puuya Foundation** to provide educational services to the community. The 2023 event was supported by the QLD energy industry and raised \$115,000.

We are proud to support the Lockhart River community and the Puuya Foundation in its community-led approach to creating create a healthy, successful, and sustainable future. Artwork purchased in 2023 (below) is proudly displayed in our Sydney, Melbourne and Brisbane offices.



Artwork (clockwise from above):
Coral Bleaching by Shannon Fyfe;
Weaving Grass by Rosella Namok;
Message Stick - Maaka by Thelma Hobson

FIRST NATIONS PEOPLE

Progress in 2023

We launched our first official Indigenous Engagement Plan, a document that helps ensure that as a business, we create productive, meaningful and respectful partnerships with First Nations peoples and communities with whom we engage and creates practical actions that create opportunities for First Nations Australians to participate in the social and economic opportunities that the energy transition presents as well as to respect their deep knowledge of the environment and its cultural landscape. This strategic document was developed with Professor Cooms.

We were proud to launch our Iberdrola Australia First Nations Scholarships program to support Aboriginal and Torres Strait Islander students in renewable energy. The scholarship provides the opportunity for Indigenous students to access funds to support their studies at universities around Australia. Each scholarship is valued at \$15,000 per annum. The scholarship program is overseen by **Professor Cooms** and our CEO, Ross Rolfe. In early 2024, we were excited to have awarded scholarships to three outstanding applicants.



“A key initiative was the training and employment of around 30 local Indigenous Wiradjuri people as part of the construction workforce.”



Working with our contractor **Beon Energy Solutions and the local First Nations community**, Iberdrola Australia was able to deliver a number of positive initiatives at our **Avonlie Solar Farm**. A key initiative was the training and employment of around 30 local Indigenous Wiradjuri people as part of the construction workforce. Post-construction, our contractor Beon Energy Solutions worked with the local First Nations community to assist these workers to find new forms of employment.

Following completion of construction, we provided funding to a First Nations group to procure a community bus, renovate a community centre and provided ongoing employment opportunities to First Nations people for vegetation management at Avonlie Solar Farm.

We were proud that our Avonlie Solar Farm was celebrated in the national media as a project that has created positive social value for the local First Nations community.

HIGHLIGHTS

As a long-term owner of renewable energy projects in regional and rural Australia, Iberdrola Australia aims to create opportunities for First Nations people, enhancing staff cultural literacy and engaging with respect.

\$100,000

invested each year in tertiary education scholarships for First Nations people

1.5%

economic participation target with First Nations communities

Spotlight: Avonlie Solar Farm

The Avonlie Solar Farm is located near Narrandera, NSW. The solar farm comprises more than 450,000 solar panels with a total energy capacity of approximately 245MW. Site works commenced in late 2021 and the farm entered into commercial operation in 2023.

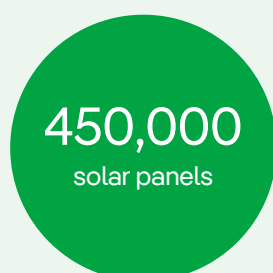
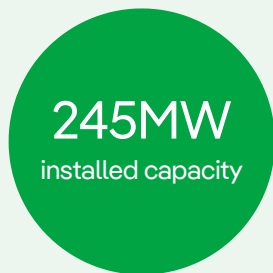
Avonlie Solar Farm connects directly to a dual 132kV grid connection which passes through the project site about 20km south of Narrandera. The solar farm will generate approximately 500GWh of renewable energy per year providing our growing customer base with a diversified supply of low-cost clean energy.

Contractors, Beon Energy Solutions, engaged with the local Aboriginal corporation, Gundyarri, to train and employ 30 local Indigenous people from the Wiradjuri people as part of the construction workforce.

The success of Beon Energy Solution’s approach to local engagement, training and employment of local First Nations people is a model Iberdrola Australia seeks to replicate.



Click the icon to watch the construction of Avonlie Solar Farm.



Photos (top to bottom): Sign welcoming people to Narrandera. Credit: Jane Norman; construction employees walking through Avonlie Solar Farm, NSW. Credit: Beon Energy; Avonlie Solar Farm, NSW

Spotlight: Lake Bonney Turbine Lighting

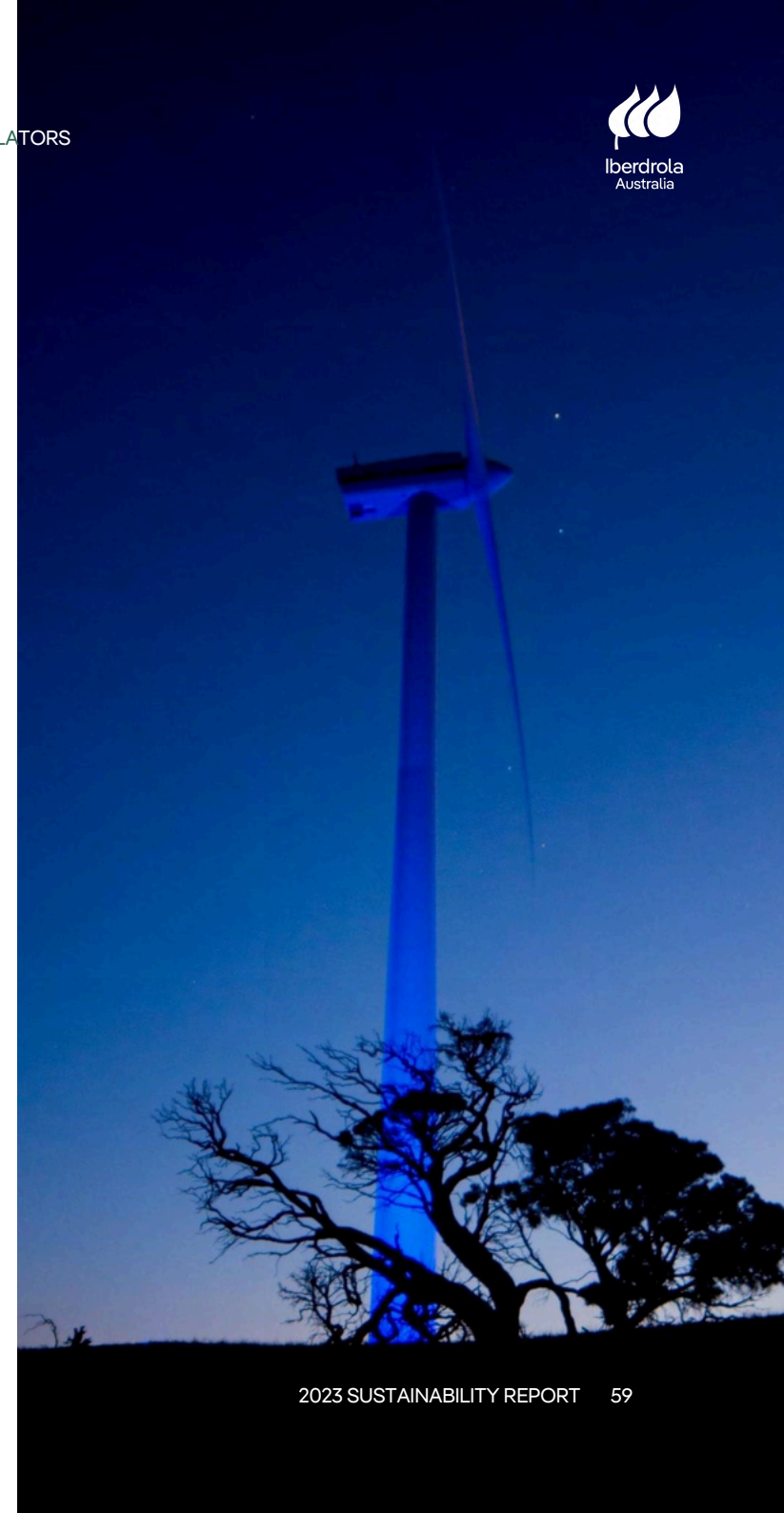
After a successful launch in 2022, the Lake Bonney Blue Turbine was brought back in 2023 to raise awareness for mental health. Vestas, in partnership with Iberdrola Australia and **Wattle Range Suicide Prevention Group**, lit up in blue light one turbine among three others at the Lake Bonney Wind Farm in South Australia. The blue colour represented mental health and the illumination of a single turbine symbolised that only one in four people will seek help when they are feeling blue.

Vestas is one of our OEMs and manages the operation and maintenance of our Lake Bonney Wind Farm. The event included gold coin donations for coffee and soup, and helped raise funds for local charity group, **Share A Plate**.

Iberdrola Australia's commitment to mental health awareness will see the ongoing support of this event.



Photos: Blue turbine at the Lake Bonney turbine lighting event, SA



Spotlight: Run with the Wind

Run with the Wind is a community fun run held amongst the wind turbines at Iberdrola Australia's Woodlawn Wind Farm near Tarago, NSW. The event has been running for over a decade and aims to educate and promote health and fitness in the community, promote renewable energy, raise money for local charities and provide promotion opportunities for local businesses.

Over 450 people participated in the 2023 event, including runners in the 2km, 5km, 10km and 21km hilly (and windy) fun runs.



Newcrest Orange Cycle Challenge

In 2023, the **Bicycle Network** hosted the Newcrest Orange Cycle Challenge to encourage people to get out-and-about on their bikes.

Iberdrola Australia was a **proud sponsor** of the event which showcased our newest wind asset at Flyers Creek. The gruelling 170km and 80km routes provided an opportunity for the local community and our staff to see the **Flyers Creek Wind Farm** in construction.



Photos (left to right): People running amongst wind turbines during the 2023 Run with the Wind event; Iberdrola Australia team members attending the 2023 Newcrest Orange Cycle Challenge, NSW

Spotlight: Gippsland New Energy Conference

Gippsland New Energy Conference (GNEC), hosted for the second time by Wellington Shire Council and selling out in 2023, brings together government, industry, community, and academia, collaborating on knowledge sharing and networking for the energy transition. Iberdrola Australia was proud to be a major sponsor of the event as a Gold Community Partner.

Additional to the conference sessions were sessions for offshore wind developers with First Nations Gunaikurnai Land and Waters Corporation (GLaWAC), Gippsland Youth Energy Summit, and a conference dinner highlighting local food and drink provenance. The final day, Community Day, was sponsored by Iberdrola Australia and included science shows by one of our employees, offshore wind energy sessions, EV exhibits, music and food. The GNEC was a model in sustainable event management.

GNEC Highlights

- 350+ Community Day attendees; 380 Youth Summit students
- 89.8% survey respondents indicated GNEC met or exceeded expectations
- Sustainable showbag items included local produce, reusable items such as drink bottles (gifted by Iberdrola Australia), seed infused paper, and sponsor donation cards to Landcare groups helping local farmers and conservation
- Certified compostable cups (produced from food waste)
- Drinking fountains and bottle refill stations (no plastic bottles permitted)
- Lanyards made from bamboo material, coupled with bio-wallets for name tags
- Partnering with local Food Bank to distribute all unused and edible food to those in need; and with Green Lab Futures for food scraps processing through biogas units, producing a liquid fertiliser and harnessing the biogas created
- Over 280kg organic waste, 1000+ coffee cups and lids, and 2000+ plastic bottles were diverted from landfill

51
sessions

546
conference
attendees

109
speakers

42
sponsors



Photo: Children watching a science show at the Community Day by Iberdrola's Dr. Joel Gilmore at the 2023 Gippsland New Energy Conference in VIC

04 Our Customers



Photo: Iberdrola Australia employees overlooking Flyers Creek Wind Farm, NSW

OUR APPROACH TO CUSTOMERS

At Iberdrola Australia, we place customers at the heart of the energy transition.

Our customers expect us:

- to work diligently to understand their energy needs;
- to offer them supply contracts that are easy to understand, solutions-oriented and cost-efficient;
- to provide a service culture that is personal, attentive, responsive, honest and friendly; and
- their bills to be transparent, accurate, prompt and predictable.

Our customers often seek flexible products, behind the meter solutions and bespoke energy market analytics. They value our commitment to providing market insights, and our commitment to working with them on their specific energy needs.

WHO ARE OUR CUSTOMERS?

Iberdrola Australia is a renewable energy generator, strategically focused on Australian C&I customers. Over 98% of our generation is renewable, with the balance sourced from our flexible, fast-start assets which manage intermittency risks associated with wind and solar generation. This enables us to provide our customers with reliable, affordable and clean energy at all times.

Our customers include manufacturers, food and beverage processors, telecommunications providers, government entities, building and construction companies, universities, local councils, other utilities and other businesses.

Our customers are located in NSW, VIC, QLD and SA, who we partner with to provide a range of electricity and green product contract structures.

Below is a snapshot of some of our core customers and what they say about switching to our reliable clean energy.

CUSTOMER SNAPSHOT

Swinburne University

Woolworths

Dexus

Central NSW Councils

LaTrobe University

IVE Group

Port of Newcastle

Victoria University

ISPT

Northern Beaches Council

CUSTOMER CHARTER

Our success as an energy supplier is dependent upon the success of our customers. Our **Customer Charter** provides key information about Iberdrola Australia's commitments in relation to the supply of energy to our business customers.

We understand that the success of our customers is a key determinant of the success of Iberdrola Australia. By supplying businesses with cost effective energy, we effectively create shared value for all of our stakeholders: our owners, our customers, our employees and society more generally.

Creating **shared value** requires partnership, and we are not only committed to helping our customers grow and prosper, we are also committed to being there in times of hardship. We encourage our customers experiencing challenging financial circumstances to make contact with us to discuss flexible energy supply options that provide appropriate short-term economic relief while maintaining long-term financial commitments.

We are committed to resolving any questions and concerns swiftly.

Spotlight: Smart Energy Solutions

In December 2021 Iberdrola Australia acquired award-winning engineering, procurement and construction company, Autonomous Energy, to accelerate our capacity to provide customers with comprehensive solutions in addressing their decarbonisation journey.

Now, as an integrated part of Iberdrola Australia, **Smart Energy Solutions** (SES) provides a broad range of green energy solutions. These solutions include rooftop solar, solar car park shading, ground mount solar PV, battery storage, microgrids, and enables accelerated growth into virtual power plants, demand side management and energy management systems.

Iberdrola Australia places customers at the heart of the energy transition, seeking to give added value by listening to customers' needs and make them a key player in the energy transition. SES delivers this through the provision of new services such as smart solar, EV charging and battery storage systems to C&I customers.

The SES team have deep experience in delivering complex solutions to meet the needs of our customers who increasingly seek integrated solutions to their decarbonisation challenges. Our in-house and Australian-based engineering team deliver turn-key renewable energy installations to provide 100% green energy retail products with on-site renewable energy products to help our customers to lower their electricity bills and carbon footprint.



2023 HIGHLIGHTS

rebranded as
**Iberdrola
Australia Smart
Energy
Solutions**

recertification
of management
systems
**ISO14001
ISO45001
ISO9001**

delivered
12MW
across
21
projects

0
LTIs

Photos (top to bottom): Westfield Fountain Gate Shopping Centre, VIC; Pittwater Place, NSW



Spotlight: Lismore Solar Carpark

In 2022, Iberdrola Australia's SES team, in collaboration with Lismore City Council, designed and installed a 100kW solar carpark in the Central Business District of Lismore, NSW.

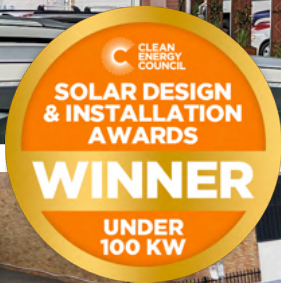
The Clyde Campbell carpark was designed to withstand floods, be drought resilient and sustainable.

Inspired by nature, the design reflects the shape of the endangered Richmond Birdwing Butterfly (*Ornithoptera richmondia*). The structure integrates a solar carpark with rainwater recovery, integrated planter and recycled timber. The outspread wings of the structure allow for the capture of rainwater which is stored in a 10,000 litre onsite rainwater tank. The harvested rainwater is used to irrigate native plants and vines, including the Birdwing Butterfly Vine (*Pararistolochia praevenosa*), which provides an essential food source for the local, endangered Richmond Birdwing Butterfly.

The use of 100kW semi-transparent bifacial solar panels enables electricity to be harnessed from above and below the structure, and ensures filtered light reaches the native plants below. The 40-space carpark also includes an EV charging station which provides enough energy to drive a standard EV 760,000km per year.

Local contractors constructed the turn-key project which was funded through the Australian Government's *Drought Communities Program*.

In 2023, the Lismore Solar Carpark was awarded the Clean Energy Council's Solar Design and Installation award for projects up to 100kW. The SES team is now working in partnership with other businesses and universities to implement similar projects across NSW.



Photos: Lismore City Council Solar Carpark, designed by Iberdrola Australia's Smart Energy Solutions in collaboration with Lismore City Council and the Richmond Birdwing Butterfly



Click the icon to see more about the Clyde Campbell Solar Carpark in Lismore

Spotlight: Asia Pacific Offshore Wind & Green Hydrogen Summit 2023

As an Event Ambassador Sponsor to this prestigious international conference and exhibition, Iberdrola Australia held a key presence and engagement at the event.

Keynote speakers included government and industry leaders and as the event was hosted in Melbourne, VIC, notable focus was on the Gippsland offshore wind zone.

Multiple Iberdrola Australia representatives spoke on panels, engaged with customers and the public on the exhibit stand, and attended the conference gala dinner with our guests.

Our Chairman and CEO, Ross Rolfe, delivered a keynote speech at an evening hosted by the Global Wind Energy Council (GWEC) to launch the Global Offshore Wind Report 2023 which was jointly funded by GWEC and Iberdrola.

Iberdrola Australia enjoyed high profile and positive engagement through a fully sustainable exhibit stand; virtual reality presentations and an on-stand barista utilising fully sustainable branded coffee cups which were enjoyed by Government leaders, conference attendees, and other developers.



Photo: The Hon. Chris Bowen MP, Federal Minister for Climate Change and Energy experiencing Iberdrola's virtual reality engagement

EMERGING MARKETS

Offshore Wind



Australia has notable abundant and high-quality offshore wind resources, considered among the world’s best, and reflected by the selection of 6 offshore wind areas in Australia. In advancing Australia’s **net zero emissions goal by 2050**, offshore wind will be a significant contributor to sustainability and regional community prosperity, as coal-fired power stations are retired.

The Australian Government has articulated clear national interest objectives from the development of offshore wind, further supported by state and local government expectations in regional growth and prosperity outcomes. Iberdrola Australia is positively aligned to deliver across these values through developing skilled jobs opportunities to transitioning energy workers and new workforce attraction pathways; economic supply chain opportunities through social procurement; and comprehensive community benefits initiatives.

Our core values relating to how we engage and partner with local communities and First Nations nationally, have been at the forefront of our proposed Gippsland offshore wind development. The positive relationship with the Electrical Trades Union we have formalised, together with our commitment to Gippsland regional scholarships and apprenticeships demonstrates Iberdrola Australia’s strategy and objective of developing local jobs first.

Our ambition is to support the Gunaikurnai Land and Waters Aboriginal Corporation to maximise business and job opportunities, and advance of First Nations cultural research and development by working in close partnership. We are also committed to collaborating with a range of Australian universities on biodiversity initiatives in Gippsland supports our sustainability priority for nature-positive outcomes.

Victorian Government Targets

Australia’s emerging offshore wind market is supported by the first state-based target in Victoria.

The Victorian Government’s target reflect constrained land area for onshore development and commitment to replace ~5GW of thermal coal generation.

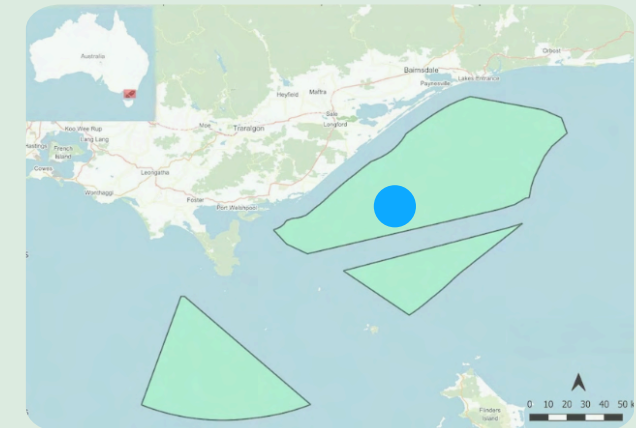
LONG-TERM TARGETS



Spotlight: Aurora Green Offshore Wind Farm

On 1 May 2024, the Australian Minister for Climate Change and Energy, the Hon. Chris Bowen MP announced his preliminary intention to award Iberdrola Australia a Feasibility Licence for our Aurora Green Offshore Wind Farm.

With 3GW capacity, Aurora Green will be located approximately 25km off the Gippsland coast of Victoria.



Gippsland Declared Area 
Proposed Aurora Green Offshore Wind Farm 

Our Supply Chain

05

Photo: Iberdrola Australia employees at Flyers Creek Wind Farm, NSW

WHO ARE OUR SUPPLIERS?

Our supply chain consists of over 2000 suppliers, each of whom provide us with equipment, services, and advice that are essential to our business strategy and operational performance.

Our suppliers are an essential part of our business, and we set high expectations for them to understand and adhere to our sustainability policies and standards.

Our supply chain includes our long-term operations and maintenance service providers, such as Vestas, General Electric and Tesla, and includes their staff and contractors.

It also includes professional service providers in the technical, legal, accounting, tax, insurance and human resources fields, as well as travel agencies, event managers, caterers, property managers, auditors and suppliers of IT goods and services.

OUR APPROACH TO OUR SUPPLY CHAIN

Iberdrola Australia has high expectations of its supply chain and suppliers can expect high standards from us in return.

Our supply chain is an extension of our business: the behaviour of our suppliers is a reflection of our own brand and reputation. Iberdrola Australia expects its suppliers to prioritise the safety of its people, communities and environment as we do.

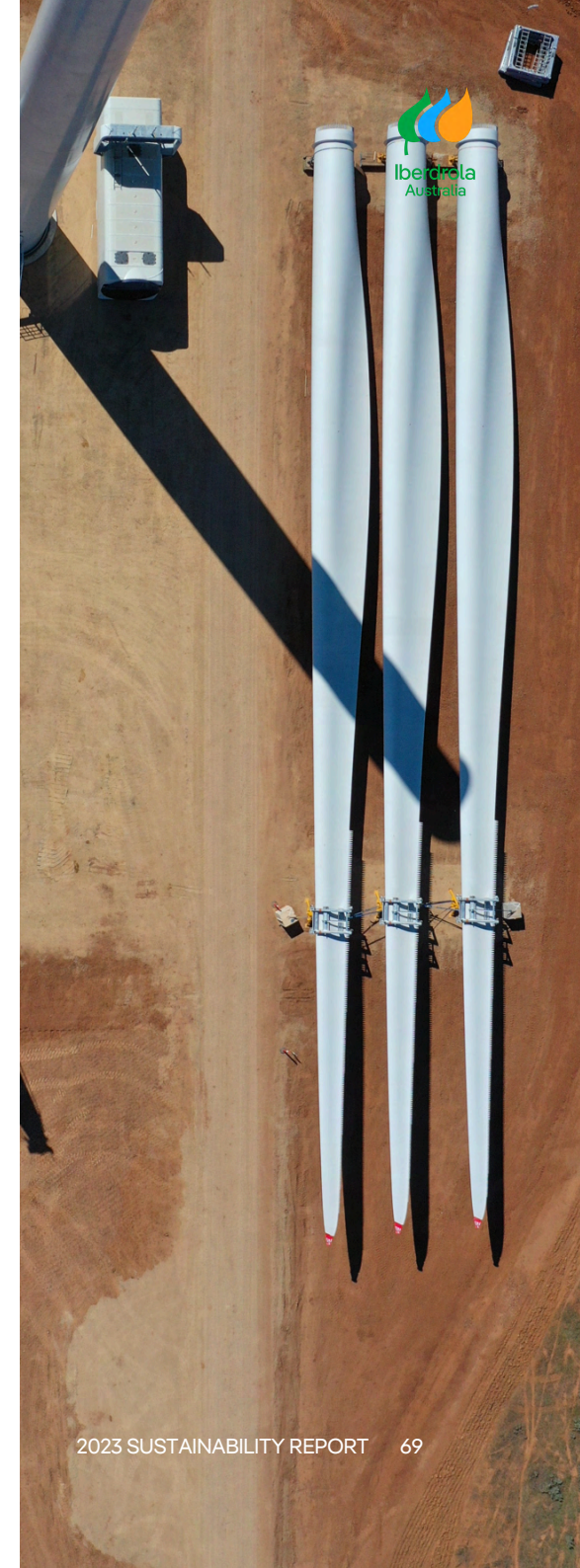
Our ideal suppliers are centres of excellence who are enthusiastic to offer more than the minimum obligations of the contract. Where relevant, we expect our suppliers to provide timely and accurate reporting on non-financial metrics and to be proactive in offering advice on sustainable procurement and resource efficiency.

We endeavour to role model this approach by providing accurate planning and fair timelines to our suppliers.

Clear communication is key to our operations and we strive to have an experienced and responsive point of contact for our suppliers. This approach will help us in providing flexibility to our suppliers and allow us and them to offer more than minimum obligations of the contract.

We aim to structure supply contracts with high levels of alignment and appropriate levels of flexibility. Where appropriate, we endeavour to be pragmatic, compromising, fair and collaborative. We understand the importance of prompt payment for services.

Photo: Wind turbines being constructed near Port Augusta, SA



Responsible Procurement

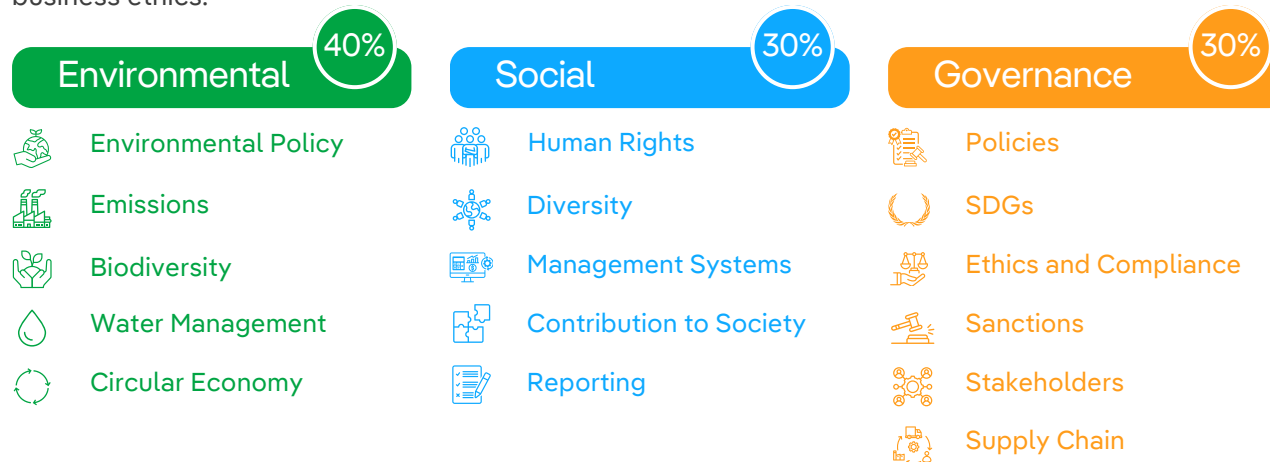
Sustainable Suppliers

Iberdrola Australia has high expectations of its supply chain. As an essential part of our business, our suppliers also reflect our brand and reputation. Supplier sustainability is central to our procurement decisions. Our goal is to increase the sustainability across our supply chain.

At a Group level, we assess the sustainability of our suppliers using ESG metrics, and use these assessments to arrive at each supplier’s ESG score. In 2022, the Purchasing Division consolidated the use of the global supplier evaluation model regarding sustainability, which is in line with the international reality of the Iberdrola Group and is organised around the ESG pillars.

We also work to help our suppliers meet our sustainability expectations, providing those who need assistance with additional resources, including recommendations to make improvements. Iberdrola’s commitment to ESG standards and their expansion to cover its main suppliers is embodied in the ambitious goal of ensuring at least 85% of the Group’s main suppliers are subject to sustainable development policies and standards by year-end 2025. Our new sustainability goal measures the percentage of total awards given to sustainable suppliers. To achieve this, we will continue to assist and support our suppliers.

The criteria the Iberdrola Group uses to assess the sustainability of our suppliers is shown below. The evaluation of a supplier involves the supplier’s performance in highly significant attributes including: identification of objectives linked to the SDGs; management of climate change risk; circular economy strategy; human rights; ethics and compliance and business ethics.



SOCIAL PROCUREMENT

The Iberdrola Group follows a strategy of developing local suppliers for its strategic purchases, which creates indirect jobs and economic development in the regions where we operate.

In 2025, Iberdrola Australia will set targets for the supply of goods and services from local suppliers with the implementation of the new supplier networking platform IBuy (SAP Ariba cloud technology).



Human Rights

Anti-Modern Slavery Measures

Iberdrola Australia has the utmost respect for human rights and is committed to seeking out and confronting any modern slavery risk areas we have influence over. We recognise that we can affect human rights not just in our own business operations but in our wider supply chain.

We are committed to complying with all applicable modern slavery laws and principles, including the UN's Universal Declaration of Human Rights and the *Modern Slavery Act 2018* (Cth), as well as assisting our suppliers to do the same. We prepare and publish our Annual Modern Slavery Statement required under the *Modern Slavery Act 2018* (Cth).

Iberdrola Australia adopted an **Anti-Modern Slavery Policy** in 2020. The policy requires that anyone with concerns relating to possible improper, unethical or illegal practices by Iberdrola Australia raises these as soon as possible. A whistleblower email and phonenumber allow anyone to confidentially report a concern about such practices. No reports were made to the whistleblower email or phonenumber during 2023.

Our Modern Slavery Working Group raises visibility and awareness of modern slavery issues and provides opportunities for collaboration within the business.

Photo: Dean Parkin at the Clean Energy Council Summit. Credit: Clean Energy Council

Spotlight: Voice to Parliament

The UN Declaration on the Rights of Indigenous Peoples recognises that Indigenous Peoples should have the right to participate in decision-making in matters that would affect their rights. Equally, governments should consult with Indigenous Peoples before making laws that affect them. In 2009 Australia endorsed the Declaration. The Australian Constitution of 1901 is the founding law that created the federal government, the courts and the Australian nation.

First Nations peoples did not participate and were not involved in the drafting of the Constitution.

Following an Indigenous led and designed dialogue and process, the **Uluru Statement from the Heart** was given to the Australian people. The Statement called for the establishment of a Voice to Parliament, to be enshrined in the Constitution to recognise Aboriginal and Torres Strait Islander people and provide a mechanism by which to have a say and be involved in matters that impact them.

Responding to the Statement, in August 2023, the Australian Government announced the date of the referendum to amend the Constitution to include a **First Nations Voice to Parliament**. As part of the awareness raising campaign, Iberdrola Australia made available to staff information about the background to the referendum and invited staff to attend information sessions where prominent First Nations and other Australians spoke about the upcoming referendum. Iberdrola Australia also facilitated a session by **Dean Parkin**, Director, From the Heart, about The Voice and the Uluru Statement from the Heart at the Clean Energy Council Summit in July 2023.

On 14 October 2023, the referendum was held and the proposed First Nations Voice to Parliament did not succeed.



Addressing Modern Slavery Risks in the Supply Chain

We communicate our Policy to new and existing suppliers and make it publicly available on our website. We have also identified higher risk suppliers and assessed the modern slavery risks associated with them.

We have implemented procedures to ensure modern slavery risks are identified and assessed in the procurement of goods and for mitigating any risks we identified. We seek assurances from prospective suppliers to assess the risk of modern slavery associated with the supply of goods and require compliance with modern slavery legislation as a standard condition of our contracts.

We work with the Clean Energy Council participating in its Risks to Modern Slavery Working Group with our industry partners to improve business practices and procedures to reduce any modern slavery associated with the renewable energy sector.

Spotlight: Solar Module Manufacturers

A potential risk associated with allegations of forced labour has been identified in the Xinjiang region of China linked to polysilicon producers supplying polysilicon to solar module manufacturers. There is a risk that Australian businesses may purchase solar panels from a panel manufacturer that sources polysilicon from this region. Iberdrola Australia is working with the Iberdrola Group, and industry and participating in other industry initiatives to minimise this risk.

Iberdrola Australia has successfully required the inclusion of specific clauses to mitigate "Forced Labour" or "Modern Slavery" risks from all relevant suppliers with which it has signed supply contracts. In addition, the necessary clauses have also been included in the photovoltaic panel supply contracts to allow the right to conduct social and sustainability audits, both for the manufacturers of the modules and for third party companies in their supply chains, to ensure the quality and traceability of relevant components.

Photo: Iberdrola Australia solar panels



06

Our Regulators



Photo: Wind turbines during sunset at Bodangora Wind Farm, NSW

WHO ARE OUR REGULATORS?

Our regulators monitor and enforce the rules, systems and guidelines that govern our business. This includes federal, state and local governments along with statutory authorities and other regulators.

Market operations, regulation and policy-making specific to the energy sector are undertaken by the Australian Electricity Market Operator (AEMO), the Australian Energy Regulator (AER) and the Australian Energy Market Commission (AEMC), respectively. The Clean Energy Regulator (CER) manages the market for renewable certificates.

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) which includes the Offshore Infrastructure Regulator (OIR) is the Australian independent regulator for offshore renewables.

Our Regulators also include the:

- Australian Competition and Consumer Commission (ACCC);
- Australian Securities and Investment Commission (ASIC);
- the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW); and
- Safe Work Australia.

OUR APPROACH TO REGULATORS

Our regulators want more from us than just compliance. Our regulators want us to communicate with them in a manner that is clear, precise, transparent and prompt. They want us to share expertise regarding prospective rule changes and to share information regarding changing market conditions. They want us to respect their objectives.

Ultimately our regulators want us to act in good faith, taking a long-term approach to providing a stable and reliable electricity in Australia which aligns with Iberdrola's business purpose.

Appendices



Photo: Lake Bonney Battery, SA

APPENDIX 1.



Appendix 1

Selected Sustainability Data	Value Assured for the year ended 31 December 2023
Lost Time Injury (LTI)	0
Lost Time Injury Frequency Rate (LTIFR)	0
Medical Treatment Injury (MTI)	3
Total Recordable Injury Frequency Rate (TRIFR)#	5.23
Total Recordable Injuries (TRI)	5
Scope 1 GHG Emissions	45,790 t CO2
Scope 2 GHG Emissions	36,193 t CO2
Energy Consumption	1,005,803 GJ
Emissions Intensity	0.026 t CO2/MWh
Bird and bat strikes recorded at Bodangora Wind Farm	101
Amount spent on bird and bat monitoring at Bodangora Wind Farm	\$126,548
Men as % of workforce	65%
Women as % of workforce	35%
Gender Pay Gap – Median base salary	10.70%
Gender Pay Gap – Median total remuneration	11.10%
Staff turnover – (combined involuntary and voluntary)	12.30%
Women as % of senior leadership (general managers)	33%
Women as % executive leadership	23%
Women as % of other managers	50%
Women as % of professionals	37%
Women as % of trades	0%
Direct community investment	\$1,084,000
Indirect community investment	\$18,683,000

Glossary

ACCC	Australian Competition and Consumer Commission	GWEC	Global Wind Energy Council
AEMC	Australian Energy Market Commission	Iberdrola Australia	Iberdrola Australia Limited
AEMO	Australian Electricity Market Operator	LTI	Lost Time Injury
AER	Australian Energy Regulator	LTIFR	Lost Time Injury Frequency Rate
AFSL	Australian Financial Services Licence	MOU	Memorandum of Understanding
ARC	Australian Research Council	MTI	Medical Treatment Injury
ASIC	Australian Securities and Investment Commission	NGERS	National Greenhouse Emissions Reporting Standards
AUD	Australian Dollar	NOPSEMA	National Offshore Petroleum Safety and Environmental Management Authority
C&I	Commercial and Industrial	OEMs	Original equipment manufacturers
CER	Clean Energy Regulator	OIR	Offshore Infrastructure Regulator
CRO	Chief Risk Officer	PAREP	Port Augusta Renewable Energy Park
D&I Working Group	Diversity & Inclusion Working Group	SDGs	Sustainable Development Goals
DCCEEW	Department of Climate Change, Energy, the Environment and Water	SES	Smart Energy Solutions
DRC	Dubbo Regional Council	TCFD	Task Force on Climate-Related Financial Disclosures
ERMC	Enterprise Risk Management Committee	TRI	Total Recordable Injury
ERMS	Energy Risk Management Standard	TRIFR	Total Recordable Injury Frequency Rate
ESG	Environmental, Social and Governance	TNFD	Taskforce on Nature-related Financial Disclosures
GLaWAC	Gunaikurnai Land and Waters Corporation	UN	United Nations
GlobH2E	Training Centre for the Global Hydrogen Economy	WGEA	Workplace Gender Equality Agency
GNEC	Gippsland New Energy Conference	WIEN	Women in Energy Network
GRI	Global Reporting Initiative		

The United Nations Sustainable Development Goals

At Iberdrola Australia, we support and actively work toward the 17 SDGs approved by the member states of the United Nations. In alignment with our goal to be recognised as a leading clean energy company, and in keeping with our efforts to advance access to clean energy, much of our focus is on SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

However, as a company with a deep commitment to social responsibility, we also contribute (either directly or

indirectly) to the achievement of all 17 SDGs, and we have embedded these goals into our sustainability policy and strategy. This means that in addition to our efforts to create affordable, clean energy, we work to make positive social actions that support the creation of sustainable communities.

SUSTAINABLE DEVELOPMENT GOALS



Page	Relevant SDG	Section
31 - 34	5	Our People
3, 14, 16, 40	7	Introduction, Our Planet
54	8	Our Communities
49	9	Our Planet
31, 37 - 38, 54, 57	10	Our People, Our Communities
54	11	Our Communities
41 - 42	13	Our Planet



A brighter future

For further information please contact:

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