

Business and Human Rights Business
Center

Subject: Iberdrola's response to story:
"Mexico: Iberdrola's defaults on payments,
information on impacts and prior
consultation in Puebla".

Madrid, 7st February 2023

Dear sir/madam,

In relation to the aforementioned story, Iberdrola would like to make the following statement.

Iberdrola has been contributing to the development of a sustainable energy model for Mexico for more than 20 years and, during all these years, it has always operated all its plants under a strict policy that obliges it to adhere ethically and with respect to the laws of the country.

Since the beginning of construction and during the operation the wind farm Iberdrola Mexico has promptly complied with all contractual obligations with plot owners, permits, licenses and conditions issued by the corresponding federal, state and municipal authorities to guarantee the proper functioning of the plants, an environmentally friendly operation and a good relationship with the communities near of the facility.

In the case of the contracts of the properties in which the PIER project facility is located, **all were signed in ejido assemblies and are duly formalized in the minutes of assembly that record these agreements before the Agrarian Attorney of Mexico.**

During the development phase of the project, consultations were carried out in four municipalities to make known all the information about it to the communities (Azumbilla, San Francisco Piletas, Puente Colorado, San José Ixtapa, San Pedro Chapulco, Temaxcalapa and Buenavista). It should be noted that the park is not built in any area where indigenous communities are settled.

The PIER wind farm has four different Environmental Impact Assessments, issued by the General Directorate of Environmental Impact of the Ministry of Environment and Natural Resources (SEMARNAT), as well as 12 authorizations for land use change in forest land, which establish the guidelines and conditions that must be met in socio-environmental matters. Iberdrola Mexico has complied with and promptly monitored all the requirements requested by the environmental authorities to protect the flora and fauna of the area where the park is located, with a total affected area of 127 hectares, including the transmission line.

The company pays a compensatory fee for the area affected by the park. In addition to the above, and as a result of the proposed environmental management plan proposed to and validated by SEMARNAT, the project contemplates the reforestation of 148 hectares as additional compensatory measures.

The company also performs tasks such as maintenance and recording the survival of rescued and relocated flora, bird and mammal monitoring studies, waste control procedures, and internal environmental management audits, among others.

To ensure compliance with all terms and environmental remediation measures, the company submits semiannual reports to the delegation of the Procuraduría Federal de Protección al Ambiente (PROFEPA) in the state of Puebla and to the Secretaría de Medio Ambiente y Recursos Naturales (Ministry of the Environment and Natural Resources).

Also, during the construction of the wind farm, Iberdrola México allocated 132 million pesos to the development of social actions for the benefit of the communities near the project, such as the construction of roads, sports fields, and community spaces.

Yours faithfully