

Carbon2Nature and Iberdrola's subsidiary in Brazil sign alliance to reduce carbon footprint

- The purpose is to reduce the global carbon footprint, enhance biodiversity and promote a sustainable economy with nature-based solutions
- The joint venture will be 51% owned by Carbon2Nature and 49% by Iberdrola's subsidiary in Brazil, Neoenergia

Carbon2Nature is partnering with Iberdrola's Brazilian subsidiary, Neoenergia, to develop projects that capture carbon through nature-based solutions to reduce the global carbon footprint, enhance biodiversity and promote a sustainable economy – placing nature as a key lever for sustainable value creation. These goals are fully aligned with the corporate strategies of both companies.

The agreement will accelerate the development of conservation, sustainable management and restoration projects in various ecosystems in Brazil – a key country for the development of nature-based solutions worldwide – and where Neoenergia's expertise in the Brazilian market will be used to the identified projects success.

A joint venture is created, which will be 51% owned by Carbon2Nature and 49% by Neoenergia. Most of the projects in Brazil will be forestry projects, but projects focusing on marine ecosystems ("Blue Carbon") will also be explored. In the coming years, over 10 million tonnes of CO₂ are expected to be captured through a tree density of 15 million trees spread over more than 19,000 hectares.

Projects are guided by the triple I approach: Integrity, Innovation and long-term Impact. All of them will be certified against internationally/nationally recognised quality standards, validating their climate contribution to biodiversity enhancement, the well-being of local communities and other Sustainable Development Goals (SDGs).

Carbon2Nature, a growing project

Iberdrola launched Carbon2Nature a year ago to capture and sequester in nature more than 60 million tonnes of CO₂ through long-term restoration, conservation and sustainable management projects with a high climate, environmental and social impact.

Carbon2Nature is a company wholly owned by Iberdrola and follows the energy company's commitment to a sustainable model based on two priority objectives: to achieve zero net emissions in all scopes by 2040 and to a net positive impact on biodiversity by 2030.

With a global vision, but focusing on the local level, Carbon2Nature is developing projects at a global level. In one year, it already has fifteen projects under development and over 40 under study in ten countries, with a focus on Spain, Mexico, Colombia and Australia. Its strategy focuses on forestry projects on reforestation and sustainable management, with more than eleven operational projects in Spain covering an area of more than 2,500 ha, and one under development in Colombia covering over 5,000 ha.

The company is also positioning itself in projects in marine ecosystems known as blue carbon, developing a mangrove restoration project in Mexico and a pioneering pilot project for planting *Posidonia* meadows in Spain. In its line of innovation, it also has an on-going pilot project to avoid methane in livestock farming in Spain.

In total, its portfolio of on-going projects involves nearly 2 million trees planted or to be planted that will capture more than 800,000 tonnes of CO₂. In addition, there is a large portfolio under negotiation that would involve the planting of more than 20 million trees and the capture of more than 14 million tonnes of CO₂.