

Iberdrola Brazil signs a €100 million green loan with the World Bank

- Neenergia, the Brazilian subsidiary of the electricity company chaired by Ignacio Galán, obtains 550 million Brazilian reais for a term of eight years with a price linked to ESG objectives.
- The funding differential will be reduced if the company increases the number of female electricians and cuts the percentage of carbon emissions.

12/07/2022

Iberdrola, through its Brazilian subsidiary Neenergia, has obtained support from the World Bank to boost its growth strategy, thanks to a green loan of 550 million reais (around 100 million euros). The company will use it to continue its growth strategy in the country. The repayment period is eight years, with a grace period of two years and an interest rate that will be reduced according to various ESG (environmental, social and governance) indicators.

The price of the financing, granted by the International Finance Corporation (IFC) - part of the World Bank and the world's largest development institution focused on the private sector in developing countries - is linked to the percentage of women electricians in Neenergia and the reduction of the carbon emissions rate, which will be measured in 2026. If the targets are met, there will be a reduction in the debt spread.

The company has informed the Comissão de Valores Mobiliários (CVM), equivalent to the Spanish CNMV, that "the financing agreement reinforces the company's broad access to credit lines at competitive costs and conditions, in line with its strategy of diversifying funding sources to support the development of its business plan".

A leader in renewable generation, Neenergia will triple its portfolio of wind assets this year to 1,600 MW, and 90% of total capacity will be green. In the first quarter of 2022, it boosted its investments in renewables in Brazil by 75% to 808 million Brazilian reais (€158 million).

Leading electricity grids in Brazil

The company is the network leader in Brazil with close to 700,000 kilometres of power lines, thanks to its control of five distribution companies in 18 Brazilian states. In fact, in the last few days the company has been awarded its largest [power grid line in the world](#) in the transmission line auction, 1,700 kilometres.

It is also a renewable energy giant, with 5,300 megawatts installed, 80% of which are green. It is also one of the country's largest marketers, with 11.2 TWh sold to end customers, with a market share of 18%, after having invested 65 billion reais (around €12.5 billion).

The company remains attentive to new opportunities, such as offshore wind and green hydrogen. Through its commitment to the United Nations Sustainable Development Goals (SDGs), the company aims to reduce its CO₂ emissions intensity by up to 50% by 2030, with 2007 as the base year.

Iberdrola controls 53.4% of Neenergia, which debuted on the Brazilian Stock Exchange in July 2019 and has become one of the largest listed companies on the São Paulo Stock Exchange, as well as one of the mainstays of growth for the company chaired by Ignacio Galán.

In recent weeks, Neenergia began trading on BME through Latibex, the Spanish market manager's platform designed to bring companies traded in Latin America closer to European investors. This allows European investors to buy and sell the shares of Iberdrola's Brazilian subsidiary with maximum ease, in euros and with the trading hours of the European markets, and expands its financing capacity and visibility among investors outside Brazil.

Nota de prensa