



## PRESS RELEASE

# Biochar: NetZero and Oikocredit sign a financing partnership to scale operations in Brazil

- French green tech NetZero and Dutch impact investment cooperative Oikocredit announce the signing of a financial partnership to accelerate the industrial deployment of biochar in Brazil.
- An initial project-finance loan of \$2.5 million has already been disbursed and financing of multiple other projects is intended.
- This partnership aims at fostering positive social impact on local farmers through biochar's yield-increase and fertiliser-reduction benefits, while also actively fighting climate change by sequestering carbon in soils.

**Paris (France) and Amersfoort (Netherlands), 4 June 2024** – NetZero, a leading player of industrial biochar production with headquarters in France, has signed a partnership with Oikocredit, a social impact investor and worldwide cooperative based in the Netherlands, for a first-of-a-kind project-finance scheme involving mid-size biochar production factories in rural areas of developing countries.

NetZero, which currently operates in Cameroon and Brazil, has received multiple international awards for its innovative model based on biochar, a carbon-rich product that significantly and durably improves crop yields and reduces the use of fertilizers, while helping remove carbon from the atmosphere. The company was notably selected as a Finalist of Musk Foundation's XPRIZE Carbon Removal competition in May of this year.

The Oikocredit-NetZero partnership materialises today with a first disbursement of \$2.5 million in support of NetZero's activities in Brazil, with the intention to replicate this scheme for new factories in the coming years. Oikocredit's objective is to help accelerate the deployment of biochar as a high-impact sustainable solution for local farmers, who can expect an average of +25% increase in crop yields through the use of this single-application product, while supporting the fight against climate change. This first loan will serve for biochar production and use within the coffee supply chain in the state of Minas Gerais, in a region where most of coffee farmers own less than 20 hectares.

A soil amendment produced from the carbon contained in crop residues, biochar acts as a "sponge" that durably retains water and nutrients at plant root level. This notably allows, with a single application, to increase crop yields while significantly reducing the use of fertilisers, which currently contribute to a significant share of coffee's carbon footprint. Beyond reducing emissions, biochar is a carbon-removal technology recognised by the Intergovernmental Panel on Climate Change (IPCC), locking carbon in soils for millennia. Last, biochar can play an important role in increasing the resilience of plants during droughts and other extreme weather events.

**Axel Reinaud, Co-founder & CEO of NetZero, said:** "We are excited with this innovative structured debt financing with Oikocredit, which is a first of its kind in the Global South for a biochar project. It will boost our projects' deployment in Brazil and bring major benefits for local farmers. This partnership embodies NetZero's deep commitment to social impact, which has been embedded since day one in our strategy and model. The potential for replication is huge and we are confident in counting on Oikocredit's support for future plants."

**Dave Smit, Director of Impact Investments at Oikocredit, said:** "Biochar is a new investment opportunity for Oikocredit that has significant impact on coffee farmers' yields and soil quality, providing increased income and decarbonising the coffee production. Investing in carbon removal in agricultural value chains is a new frontier in which Oikocredit is positioning itself. We are excited to support the scale up of this technology and are proud that the excellent partnership with NetZero also allows for replication of this model."

## ABOUT NETZERO

NetZero was founded in 2021 by Axel Reinaud, Dr. Jean Jouzel, Aimé Njiakin, Olivier Reinaud, and Pedro de Figueiredo. Its mission is to bring at scale biochar, one of the few climate solutions that can durably remove carbon from the atmosphere, as well as one of the few agricultural solutions allowing to reconcile productivity and sustainability.

By leveraging biochar in the tropics along a unique model, NetZero simultaneously tackles three pressing challenges in developing countries: climate change, sustainable agriculture, and overall rural development. The company is present in Cameroon and Brazil, operating mid-size industrial plants and currently working with over 600 farmers.

NetZero is a two-time winner of Musk Foundation's XPRIZE Carbon Removal competition, a recipient of the Efficient Solution label from Solar Impulse Foundation, a Green Tech prize winner of the Tech for Good Awards, and develops carbon removal projects certified under the Puro Standard. NetZero's mid-term goal is to have removed more than 5 million tonnes of CO<sub>2</sub> from the atmosphere by 2030, while having improved the livelihoods of tens of thousands of farmers.

Learn more at: [www.netzero.green](http://www.netzero.green)

## ABOUT OIKOCREDIT

Social impact investor and worldwide cooperative Oikocredit has nearly five decades of experience funding organisations active in financial inclusion, agriculture and renewable energy.

Oikocredit's loans, equity investments and capacity building aim to enable people on low incomes in Africa, Asia and Latin America to improve their living standards sustainably.

Oikocredit finances more than 500 partners, with total outstanding capital of € 1,084.7 million (at December 2023).

For more information, visit [www.oikocredit.coop](http://www.oikocredit.coop)

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