



Tereos takes out the first sustainability-linked loan in the Brazilian sugar and ethanol sector with a new US\$ 105 mi long-term financing

The 5-year tenor transaction, raised with the support of a syndicate of 7 long-standing relationship banks, includes an interest rate margin reduction with the achievement of the defined sustainability targets

Sao Paulo, June 15th, 2020 – Tereos Sugar & Energy Brazil (“TSEB”), one of the leading producers of sugar and ethanol in the country, is pleased to announce the closing and disbursement of a new USD105 million credit facility, the first sustainability-linked loan in the Brazilian sugar & ethanol industry. This facility agreement is also the first operation of the sort on a global level for Tereos Group, present in 18 countries.

Through the sustainability-linked mechanism, Tereos commits to four ambitious sustainability performance targets under four key performance indicators, including annual reduction in GHG emissions per ton of processed cane, annual reduction in water consumption per ton of processed sugarcane, an annual increase in certified sugarcane in addition to an improved score for environmental, social & corporate governance (ESG) formal evaluation. As part of the facility, Tereos will have an interest rate margin reduction for each year it meets its sustainability performance targets, with an independent auditor providing validation.

This 5-year tenor USD105 million export prepayment facility will finance TSEB’s sugar exports and refinance a large part of TSEB’s existing lines maturing this year.

ING and Natixis acted as Joint Bookrunners and Mandated Lead Arrangers and Sustainability Coordinators. The transaction was also joined by BNP Paribas, CIC, Citibank, Commerzbank and Rabobank.

“By linking our financing lines to sustainability performance, we commit even more to drive sustainability into our operations. We are proud to have moved a step further with this sustainable loan, supported by many of our long-standing financial partners” says Stephanie Billet, Tereos Group’s CFO.

“Tereos is distinguished for its environmentally responsible agricultural practices by institutions such as Bonsucro and EcoVadis, which placed the Group among the Top 1% agribusiness companies due to its sustainability practices. Our financing sustainable certification is another acknowledgment of our commitment to the environment, formalized by leading financial institutions in the sustainable loan market” points out Jacyr Costa Filho, member of Tereos Group’s Executive Committee.

“The sugarcane cycle is one of the best examples of a circular economy, where nothing goes to waste: the sugarcane bagasse becomes bioenergy, and its residues turn into natural fertilizers or biogas,” says Pierre Santoul, CEO of Tereos Sugar and Energy Brazil. “Ethanol is a renewable fuel that emits up to 90% less CO₂ in its entire life cycle, when compared to gasoline. This is a sustainable industry by nature. We are very pleased to be the first company in the Brazilian sugar and ethanol industry to raise a sustainable loan and we thank our relationship banks for supporting us in this achievement” complements Pierre Santoul.

“In line with our commitment to climate action by supporting our clients with innovative green financing solutions, ING is pleased to support Tereos with the successful syndication of this landmark loan,” says Eber Faria, head of commodities, food & agriculture Latin America, at ING. “The environmental, sustainability and corporate governance nature of the facility coupled with the export prepayment structure were critical attributes that led to a successful syndication. As an active member of United Nations Environment Programme Finance Initiative, our goal continues to be to incorporate sustainability solutions into financings to protect the planet for future generations.”

Helena Radzyminski, Natixis’ head of Latin America, adds that “Natixis is pleased to support Tereos, with whom we enjoy a longstanding and close relationship, in this momentous step to bring sustainable strategies into the Brazilian sugar and ethanol sector. This transaction is not only a milestone in the Brazilian sugar and ethanol sector, but also adds another chapter to the story we have been building together, using environmental and social responsibility as a guiding principle of our strategic vision. This transaction is another example of Natixis’ commitment to develop innovative products and solutions with likeminded partners to support our clients as they make their own transition to a more sustainable business model.”

About Tereos

The long-term vision of Tereos is the processing of agricultural raw materials and the development of quality food products. Tereos is a leader in the sugar, alcohol and starch markets. The Group’s commitments to society and the environment contribute to the company’s performance in the long term while strengthening its contribution as a responsible player. The cooperative group Tereos is a union of more than 12,000 Cooperative Associates and has recognized know-how in the processing of beet, sugarcane, cereals, and potatoes. Through 48 industrial sites, a presence in 18 countries and the commitment of its 22,300 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2019-20, the Group achieved a €4.5 bn turnover.

About Tereos Brazil

Tereos in Brazil includes the following business units: Tereos Sugar & Energy Brazil, Tereos Starch & Sweetener Brazil and Tereos Commodities. In the State of São Paulo, Tereos Sugar & Energy Brazil concentrates its seven sugarcane processing plants (Andrade, Cruz Alta, São José, Severínia, Mandu, Tanabi and Vertente) and two refineries (Cruz Alta and Andrade). Tereos Starch & Sweetener Brazil, with a plant unit in Palmital (SP), diversifies the portfolio of Tereos Brazil, processing corn and manioc for a large products portfolio. Tereos Commodities, the group’s trading company, has one of its offices located in São Paulo city.

Press contacts

CDI Comunicação

Lena Miessva - (+5511) 99502-9753

tereos@cdicom.com.br