



## Ecoagro and Rizoma Agro announce the world's first Green Bond Certified under the Climate Bonds Standard for Agriculture

The deal was audited by Bureau Veritas and the proceeds from the issuance of BRL 25 million will be used to finance the operation of Rizoma Agro's organic regenerative grains

**São Paulo: 02/09/2020 09:00 BST:** The Ecoagro Group, in partnership with Rizoma Agro, announces the world's first issuance to be certified as Green according to the new [Agriculture Criteria](#) under the Climate Bonds [Standard](#). It is the first time that a company in the agricultural sector has gained this certification.

Green Bonds are debt securities aimed at raising funds for investments in sustainability projects and climate change mitigation.

Funding from the issuance of CRAs\*, adding up to BRL 25 million, aims to finance the expansion of Rizoma Agro's Organic Regenerative Agriculture, which uses production systems that combine agricultural practices that capture carbon, improve environmental resilience and increase organic matter in the soil.

To obtain the "green" label, Rizoma Agro had an area of 1,200 hectares of organic regenerative production was evaluated, as well as a silo for drying grains and storage in the State of São Paulo. The operation included an agricultural protocol developed by the Climate Bonds Initiative applied for the first time in a project in the Agriculture sector. Bureau Veritas acted as [Approved Verifier](#) and audited against the designated Criteria and Rizoma practices in low carbon agriculture.

*"This is a very important milestone for Rizoma Agro and for agribusiness as a whole in the country, which now has a new source of financing for environmental regeneration projects. This type of fundraising could accelerate a real paradigm shift in agriculture, with a production model that combines economic viability, preservation of natural resources and improvement in environmental indicators," says **Pedro Paulo Diniz, founding partner of Rizoma Agro.***

*"Brazil has some of the best sustainable agriculture practices in the world. The issuing of Rizoma's CRA Verde is very important to reinforce this investment thesis, helping other companies with the same potential for Green operations to be made viable in a short horizon. Since 2016, Ecoagro has been dedicating special attention to the development of the Green Label operations market, reinforcing its strategy of promoting sustainability and ESG practices in Brazilian agribusiness." **Milton Menten, CEO, Ecoagro***

*"Brazil is a world reference in Agribusiness and it is not surprising that we have pioneered the issue of green bonds in the sector. The project's production systems combine low-carbon agricultural practices, improved environmental resilience and increased organic matter." **José Cunha, Director of Certification at Bureau Veritas***

*"Connecting investors to a project that mixes sustainability and scale is a source of pride and motivation for Necton. Rizoma comes to revolutionize the agribusiness market and we will always be on the side to make this transformation financially viable." **Rafael Giovani, Distribution Director at Necton Investimentos***

*"Rizoma's green CRA is further proof of the enormous potential of Brazilian agribusiness in the green bond market. This issue, the first to be certified under the Agriculture Criteria, demonstrates that Brazil is on the right path. We congratulate Rizoma for this historic issuance, the first of many to come from this important sector." **Justine Leigh-Bell, Director, Climate Bonds Initiative***

## Green Investment Plan for Brazilian Agriculture

The Rizoma issue was completed weeks after the [launch](#) of the investment plan "*Unlocking the Potential of Green Investments for Agriculture in Brazil*", prepared by Climate Bonds Initiative and partners. The plan identifies projects and assets eligible for green financing in the country and reveals that the investment potential for Agriculture in Brazil reaches 163 billion dollars (692 billion reais) by 2030.

The [Investment Plan](#) was developed to demonstrate how green finance can be targeted to finance agricultural projects and assets at scale. The study highlights green projects for agriculture, livestock, renewable energy, forests and infrastructure so that issuers and investors can understand the opportunities that can be labeled or aggregated to attract green capital.

### Ends

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### Notes to the editor:

**About Green Bonds:** Green Bonds are debt securities aimed at raising funds for investments in sustainability projects and mitigating climate change. This category of emissions has been registering accelerated growth in recent years. According to credit rating agency Moody's, the market for 'green bonds' or for projects with positive social and environmental impact is expected to reach a record \$ 400 billion this year Source

**CRA:** Agribusiness Receivables Certificates (CRAs) are fixed income securities backed by receivables originating from business carried out between rural producers, or their cooperatives, and third parties. CRAs cover financing or loans related to the production and sale of products, agricultural inputs and machinery used in agricultural production.

**About Ecoagro:** Founded in 2007, Ecoagro acts as a link between the Agribusiness production chain and the Capital Markets, structuring financial operations suited to both the profitability and security needs of investors, as well as the demand for resources for producers and companies. <https://www.ecoagro.agr.br/>

**About the Climate Bonds Initiative:** The Climate Bonds Initiative is a non-profit organization focused on promoting large-scale investments in the low-carbon economy.

**About Climate Bonds Standard:** This is a comprehensive, science-based, multisectoral standard overseen by the Climate Bonds Standards Board, which allows investors and intermediaries to easily assess climate credentials and the environmental integrity of bonds and other green debt products. Visit our website: [www.climatebonds.net](http://www.climatebonds.net)

**About the Bureau Veritas Group:** With global revenue of 5.1 billion euros, Bureau Veritas is present in 140 countries, serving 400,000 customers with its five business divisions: Maritime & Offshore, Agribusiness & Commodities, Industry, Construction & Infrastructure and Power & Utilities. With more than 5,000 employees in Brazil, the company offers its complete portfolio of services, guaranteeing compliance, controlling supply chains, anticipating trends, reducing risks, increasing efficiency and taking care of its customers' reputation. More information at [www.bureauveritas.com.br](http://www.bureauveritas.com.br).

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Certification under the Climate Bond Standard only reflects the climate attributes of the use of proceeds of a designated debt instrument. It does not reflect the credit worthiness of the designated debt instrument, nor its compliance with national or international laws.

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