

Media Release

**Rumo issues first LATAM green bond for freight rail
Proceeds to finance capacity and efficiency improvements of freight rail network
Certified under Climate Bonds Low Carbon Transport Criteria**

London: São Paulo: 14:00 BST 09/07/2020: Brazil's largest freight rail operator, [Rumo S.A.](#) (Rumo) has finalized issuance of a USD500m, green bond with a seven-year term and a fixed rate of 5,25% per year.

The Rumo green transaction has been Certified under the Climate Bonds Standard, a first for freight rail in LATAM. Funds will be allocated to projects which increase the energy efficiency of the network. Planned investments include purchases of new rolling stock (locomotives and wagons) and upgrades of rail network infrastructure.

To obtain Certification under Climate Bonds Low Carbon Transport Criteria the primary requirement is for the operations to emit less than 21 grams of CO₂ per tonne and kilometer transported. Currently, Rumo's operations have average values of 15.8 grams of CO₂ per tonne and kilometer transported on its more than 12,000kilometers of railways.

In addition to the resources invested in infrastructure works, RUMO plans to reduce the carbon emissions of the fleet further. With an asset base including more than a thousand locomotives and 28,000 wagons, RUMO recently adopted technologies such as Trip Optimizer™, to become the largest semi-autonomous train operator in Latin America. More than 200 locomotives are equipped with the system that generates improvements in travel times and reductions in fuel consumption and emissions.

All progress and commitments regarding ESG aspects will be disclosed in the coming weeks by the Company in its annual Sustainability Report.

Thatyanne Gasparotto, Head of Latin America, Climate Bonds Initiative:

“The first certification of a freight railroad in Latin America represents a stimulus for large-scale investments in the Brazilian economy reflecting growing appreciation of ESG principles. The oversubscription we witnessed in this issue proves that global investors are hungry for green.”

“Brazil's railway portfolio has a lot to offer for this market and Rumo's issuance is a clear sign of decarbonisation of logistics in Brazil and a more resilient infrastructure.”

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Notes to Journalists:

About Climate Bonds Initiative: The Climate Bonds Initiative is a non-profit organization focused on promoting large-scale investments in the low-carbon economy. Visit our website: www.climatebonds.net or access our social media: [Twitter](#), [LinkedIn](#), [Instagram](#) & [Facebook](#).

About Climate Bonds Standard: It is an overarching science-based, multi-sector standard overseen by the [Climate Bonds Standards Board](#) that allows investors and intermediaries to easily assess the climate credentials and environmental integrity of bonds and other green debt products. Launched in [2011](#), with periodic [updates](#), the Climate Bonds Standard is the most detailed climate aligned investment criteria available in the market and provides guidance to issuers, investors, governments and regulators.

About the Low Carbon Transport Criteria: Launched in 2016, the Criteria covers investment in passenger vehicles, passenger trains, urban subway/metro, trams, freight rail and directly supporting infrastructure that aligns with the goals of the Paris agreement.

About Rumo S.A.: Rumo is the largest railway operator in Brazil and offers logistics services for rail transportation, port elevation and storage. The company operates 12 transshipment terminals, six port terminals and manages approximately 14,000 thousand kilometers of railways in the states of Paraná, Santa Catarina, Rio Grande do Sul, São Paulo, Mato Grosso do Sul, Mato Grosso, Minas Gerais, Goiás and Tocantins. The asset base includes more than a thousand locomotives and 28 thousand wagons. Since 2015, the company has accumulated 24% in the reduction of specific emissions, mainly due to the operational efficiency related to the reduction in fuel consumption and the adoption of new technologies. More information is [available here](#).

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