

Press Release

&Green and FS to advance sustainable practices in the corn supply chain in Brazil

Sao Paulo / The Hague, May 2022. Stichting andgreen.fund (“&Green”) has developed a credit facility with FS Agrisolutions Indústria de Biocombustíveis Ltda. (“FS”) to further advance the transformation of land use practices of corn and soy producers in Mato Grosso, Brazil. &Green, an investment facility established to de-link deforestation from tropical commodity production, will work together with FS to further advance a no-deforestation corn supply chain that sustainably produces biofuel, animal feed, corn oil and electric power. Through this transaction, FS underpins its public ambition statement of sourcing deforestation-free corn with a contractual No Deforestation, No Peat and No Exploitation (NDPE) commitment to &Green.

The 8-year credit facility provides USD 30 million and has FS committed to improve the traceability of its corn supply chain, mitigate deforestation risk, and promote the intensification of degraded lands and restoration of forests. Through the publicly accessible Landscape Protection Plan developed together with &Green, FS has committed to **conserve** 224,000 hectares of forest through its direct and indirect suppliers, out of which 28,000 is in excess of Legal Reserve; **intensify** 40,000 hectares of degraded lands; and **restore** 5,000 hectares of degraded native forest through the implementation of an engagement strategy with suppliers and relevant local actors.

Rosa Lemos de Sá, member of &Green’s Advisory Board member notes: *“This transaction provides &Green and FS an opportunity to positively influence both the soy and corn supply chains in Mato Grosso. FS will impact around 15% of soy production areas in Mato Grosso and is expected to grow even further. The commitments assumed by FS under the credit facility will improve the transformation of land use practices of grains producers to develop a blueprint for no-deforestation production practices that ensure effective forest protection and sustainable land intensification.”*

“This partnership proves that sustainable production and forest protection can go hand in hand, and that current efforts by modern Brazilian agriculture can be progressively improved” says Rafael Abud, CEO at FS. *“We really value that &Green recognizes the efforts by FS and our farmer suppliers in Mato Grosso and we are proud to see international investors supporting agriculture companies that are serious about long term ESG concerns in Brazil.”*

The transaction complements the current existing efforts of the Brazilian government to combat deforestation and reduce greenhouse gas emissions. For example, by selling deforestation-free corn ethanol, FS can issue decarbonization certificates (CBIOs) as part of Brazil’s RenovaBio program, an important part of the country’s strategy to meet its climate-related national targets (NDCs). In addition, the facility supports and accelerates the implementation of the Brazilian Forest Code, as FS will prioritize suppliers who meet the requirements of the Forest Code and assist farmers who do not, further driving forest conservation and restoration.

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For more information please contact:

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About &Green (www.andgreen.fund)

&Green, incorporated as a Dutch Stichting, was developed under the leadership of IDH in close collaboration with *Norwegian International Climate and Forests Initiative (NICFI)*. It is a blended finance debt vehicle investing in commercial projects that can demonstrate decoupling of commodity production from deforestation while being socially inclusive. &Green is focused on tropical forest jurisdictions with progressive forest protection strategies and targets in place. Its target sectors are the commodities that are driving deforestation such as palm oil, soy, beef, and forestry among others. Current contributors to &Green include the Government of Norway, through its *International Climate and Forest Initiative (NICFI)*, *Unilever* - the British-Dutch consumer goods company, *FMO* - the Dutch Development Bank, the UK governmental *Department for Business, Energy, and Industrial Strategy (BEIS)*, and the *Global Environment Facility (GEF)*, with *UN Environment* acting as its implementing agency. The Dutch advisory firm *SAIL Ventures* acts as &Green's Investment Manager.

About FS (www.fs.agr.br)

FS started operating in 2017 to develop an innovative business model focused on corn-based bioenergy and high-value added animal nutrition products ("DDG") in the Brazilian state of Mato Grosso. The company is controlled by US-based Summit Agricultural Group, a successful and diversified agribusiness group from the US Midwest. FS owns and operates two industrial plants in the State of Mato Grosso, Brazil, and is currently in the process of constructing a third industrial plant, also in the State of Mato Grosso. FS has recently obtained from Moody's affiliate Vigeo Eiris a revised ESG rating, assigning once again the highest rating possible (A1) of the program to FS, while increasing its score from 58 to 62. In the assessment, FS' performance was rated between robust and advanced for almost 80% of the analyzed criteria, highlighting its level of commitment reflected in what the document calls "continued implementation as the driving force behind company performance".