



T&G takes bold step towards low carbon future with Sustainability-Linked Loan

T&G Global today announced it has signed Aotearoa New Zealand's first Sustainability-Linked Loan in the horticulture sector – borrowing \$180 million.

The three-year loan is the first of its kind in New Zealand horticulture, and commits T&G to a science-based greenhouse gas emissions reduction target that aligns with limiting the global average temperature increase to 1.5°C above pre-industrial levels.

The loan also requires T&G to undertake a comprehensive climate risk adaptation plan to enable T&G to adapt to the impacts of a changing climate, and create permanent job opportunities and career pathways to help boost regional development.

T&G Chief Executive, Gareth Edgecombe, says the loan is a critical and strategic move towards long-term sustainability.

“We’re committed to making positive changes and transitioning to a healthier and more sustainable future,” says Gareth.

“Our Sustainability-Linked Loan and its ambitious targets demonstrates our commitment to embracing sustainable practices and meeting global consumer needs. This includes helping Aotearoa New Zealand transition to a low-carbon economy by decarbonising our business and adapting to a changing climate, as well as building thriving local communities,” says Gareth.

“At T&G, kaitiakitanga is a value we demonstrate everyday, and it captures what sustainability means to us – treating the land, people, produce, resources and community with the greatest of respect and care, as guardians of their future. This loan ensures we keep sustainability at the forefront of our business.”

The loan follows on from T&G achieving its first climate objective of sourcing 100% of electricity from renewable sources. This was achieved by implementing energy efficiencies and switching to renewable electricity certificates to cover domestic and international electricity consumption per year, which has resulted in zero emissions from T&G's scope 2 activities.

Doug Bygrave, T&G Chief Financial Officer, says the loan is an important milestone in T&G's 125-year history.

“T&G has a strong history of taking care of an environment we significantly rely on and looking after our people. We know the creation of permanent roles and the fostering of careers not only benefits individuals and families, but the benefits flow deep into local communities. By working with our principal banks Rabobank and BNZ as Joint Sustainability Co-ordinators, (as well as participation from HSBC and Westpac), we've structured a loan that sets clear and meaningful targets, which upon delivery, will deliver improved cost of capital and further embed sustainability within T&G.

“This loan incentivises us to invest in climate change mitigation and adaptation activities. A key focus is the decarbonisation of our transport fleet and glasshouses, as well as electricity efficiency. It’s a big challenge, and our targets in the loan reflect our ambition to limit our impact and adapt.”

As part of the loan financing, T&G will pay lower loan costs if it achieves the sustainability targets, and will have to pay penalties if these aren’t met. These targets are:

- **Key Performance Indicator 1: Climate change adaption**

T&G will undertake a detailed climate change risk assessment (aligned to New Zealand’s External Reporting Board requirements) including conducting climate risk-related scenario analysis. As these are foundational climate risk identification steps, T&G will not receive any sustainability discount for this work. However, T&G will receive a sustainability discount for the completion of detailed climate risk adaptation plans, created in consultation with its post-harvest and growing teams, as well as engaging with its independent growers on T&G’s climate risk assessment.

- **Key Performance Indicator 2: Climate change mitigation**

Reduction of scope 1 and 2 greenhouse gas emissions by a minimum of 2.5% per year. As these emissions (derived from diesel and petrol for freight movements, and natural gas for glasshouses) are the hardest to abate for T&G, given currently available solutions, a threshold has been set to allow for offsetting through carbon credits to contribute towards reduction targets.

- T&G also commits to set a Science-Based Target aligned to 1.5°C for all three scopes of its greenhouse gas emissions, and have that target validated by the Science-Based Targets initiative (SBTi).

- **Key Performance Indicator 3: Create permanent employment opportunitites and career pathways**

T&G will create new permanent employment opportunities in its Hastings apple growing business, as well as provide its permanent apples operational team with increased internal secondment and promotion opportunitites, and career progression pathways.

Deloitte Limited have undertaken services to assess T&G Global Limited’s Sustainability-Linked Loan Framework, key performance indicators, and targets against Sustainability-Linked Loan principles issued by the Loan Market Association and the Phase One Guidance for Sustainable Agriculture Finance for Crops guidance issued by the Sustainable Agriculture Finance Initiative in July 2021.

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About T&G Global

Our story began 125 years ago as Turners and Growers, and today T&G Global helps grow healthier futures for people around the world. Located in 13 countries, our team of 2,000 people both grow and partner with over 1,200 growers to market, sell and distribute nutritious fresh produce to customers and consumers in over 60 countries. As kaitiaki, we do this guided by kaitiakitanga. For us, this means we treat the land, people, produce, resources, and community with the greatest of respect and care, as guardians of their future. www.tandg.global