BNZ Agribusiness Sustainability Linked Loans

BNZ Agribusiness Sustainability Linked Loans (SLLs) are a new innovation in financial markets and for the NZ Primary Sector. We're proud to be the first bank to offer NZ farmers and growers an incentive-based term debt solution to support their personal sustainability ambitions.

What are the key features?

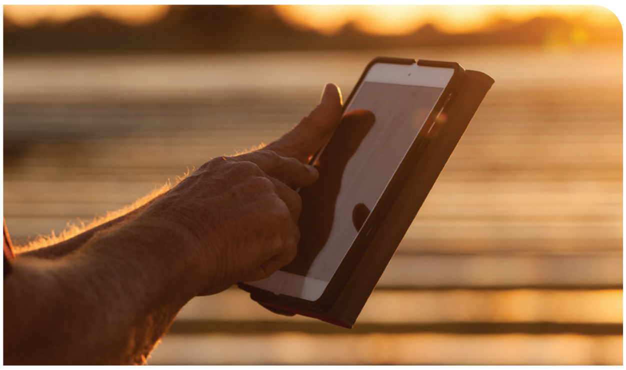
- SLLs support an Agribusiness to increase positive environmental and social impacts and reduce any negative impacts, by allowing you to achieve goals specific to your Agribusiness.
- SLLs are incentive-based loans, debt proceeds can be used just like your regular term debt, supporting all of your Agribusiness' needs, not just your environmental or social projects.
- SLLs link a set of pre-agreed, material and ambitious, environmental or social key performance indicators (KPIs) to a portion of the SLL's cost of debt.
- Depending on your agribusiness' performance against pre-agreed KPIs, the cost of debt can increase or decrease.

Is a BNZ Agribusiness Sustainability Linked Loan right for my Agribusiness?

Agribusiness customers who can demonstrate good existing on-farm sustainability practices and who meet BNZ's baseline eligibility criteria can apply. Additional requirements such as minimum loan size and credit criteria will also apply.

Speak to your BNZ Agribusiness Partner to find out if this is right for you.

bnz.co.nz/agribusiness



Would my environmental and social ambitions count towards an SLL?

The BNZ suite of optional KPIs allows your Agribusiness to progress environmental and social KPIs most material to your Agribusiness. Every SLL must include a Greenhouse Gas emissions reduction KPI. Other KPIs could include improvements in biodiversity, animal health, water quality, staff development, and many more.

How does a Sustainability Linked Loan work?

1. In line with timings for new or existing debt requirements, BNZ will provide a borrower with a suite of optional KPIs, so you can choose the KPIs which best align to your environmental and social ambitions. We've taken the guess work out of building your own KPIs, by ensuring all KPIs align with local and international Sustainable Finance guidelines, including SAFI and Sustainability Linked Loan Principles.

2. From the suite of optional KPIs, you can select a minimum of three KPIs which fit your Agribusiness' individual goals.

3. An on-farm accredited auditor assesses your baseline KPI position in order to commence the SLL. The KPIs are then annually audited over the life of the loan, with annual progress reflected in pricing adjustments to your cost of lending each year.

The independent audit is designed to verify your on-farm performance against pre-agreed KPIs, and is at the borrower's expense.

What type of interest rate structure can I have under a Sustainability Linked Loan?

We know your plans and goals are unique to your Agribusiness and those plans for the future will affect how you want to structure your loans.

With a Sustainability Linked Loan you can have a combination of both fixed and floating interest rate structures to best suit your goals.

What are the benefits?

There are multiple potential benefits which include:

- Potential pricing benefits
- Alignment of your funding and sustainability ambitions
- Highlights sustainability credentials to the conscious consumer, and key stakeholders of your Agribusiness
- Lifts staff engagement and changes the conversation within your Agribusiness
- Lifts engagement with your BNZ Agribusiness Partner

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