

Mizuho concludes sustainability-linked syndicated loan agreement with CPF (Thailand)

Mizuho Bank, Ltd. (President & CEO: Masahiko Kato) has been appointed as the sole mandated arranger for the sustainability-linked¹ cross-border² syndicated loan for CPF Group, and has signed a facility agreement with CPF (Thailand) Public Company Limited (CPF Thailand). CPF Thailand is one of the core operating companies within the agro-industry and food business of Charoen Pokphand Foods Public Company Limited (CPF)³, the largest agri-food conglomerate in Thailand. CPF Thailand has a solid business base in Thailand, where it engages in feed, farm-processing and food businesses.

CPF Thailand has prioritized the advancement of research and development and the creation of innovative nutritional products to promote healthy eating. Alongside this, the company has implemented effective resource management strategies such as automation and digitization to systematically gather and analyze data, thereby reducing business risks and improving efficiency. As a result, CPF Thailand has achieved low greenhouse gas emissions in their production, ensuring food security through low-carbon manufacturing. This approach enriches the quality of life and safety of employees while supporting farmers, suppliers, and society as a whole to grow and thrive together.

In this sustainability-linked cross-border syndicated loan, CPF Thailand identifies its KPI/SPTs, which are related to material issues of the CPF Group's sustainability.

Goals embedded in this loan include "Reduction of total GHG emissions from low-carbon products" and "Increase the percentage of renewable energy in operations". Interest rate calculations will depend on the degree to which these goals are achieved. Mizuho is appointed as the Sustainability Coordinator for this syndication and has been supporting the setting of the Sustainability Performance Target (SPT) for this loan.

Furthermore, in order to diversify funding sources and broaden its investors' base, CPF Thailand worked with Mizuho to gain an external credit rating from Japan Credit Rating Agency, Ltd. (JCR) in March 2022.

At Mizuho, we are working to further incorporate sustainability initiatives into our business strategy. We are drawing on our expertise as a financial services group to proactively provide a wide range of solutions, including advisory and capital financing support, to businesses that are contributing to the shift to a low-carbon society.

Loan overview:

Originated amount: Equivalent to USD Approximately 440 M

Term: 5 years

Arranger: Mizuho Bank, Ltd. Sustainability Coordinator: Mizuho Bank, Ltd.

Notes:

1. A financing structure which links preferential terms, such as lower interest rates, to the achievement of ESG goals established in alignment with the borrower's sustainability strategy. By providing incentives for the borrower to achieve these goals, this form of financing aims to promote sustainable economic activities and growth.
2. Corporate syndicated loans extended from Japanese banks to non-Japanese or offshore entities and sold mainly to Japanese investors, like in this case, are often called "Ninja loans" or "Samurai loans" in Japan. Mizuho Bank has trademarked the term "Ninja loan" in the United States and other jurisdictions.
3. Charoen Pokphand Foods Public Company Limited (CPF Group): CPF Group is the largest agri-food conglomerate in Thailand and operates a diverse business portfolio, including various joint-investments across 17 countries worldwide.