

PRESS RELEASE

Feralpi Siderurgica proceeds with its 2022-2026 business plan for more competitive, low-emission steel

170 million euro Sustainability-Linked Loan signed with the SACE Archimede Guarantee

*The financing is to support business investment
and envisages a profit trend linked to the achievement of two ESG performance
indicators.*

The financing was agreed with a pool of banks, namely BNL BNP Paribas, Crédit Agricole Italia S.p.A., Intesa Sanpaolo S.p.A. (IMI CIB division) and Unicredit S.p.A. in the roles of Lender, Global Coordinator, Mandated Lead Arranger, Bookrunner and Sustainability Coordinator. BNL BNP Paribas also acted as an Agent Bank.

Moreover, Banco BPM, BPER and Cassa Depositi e Prestiti participated in the arrangement as lending institutions

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A leader in the steel industry, Feralpi Siderurgica has secured] a 170 million euro loan to accelerate its progress towards steel with low environmental impact. Through this arrangement Feralpi is increasing the average maturity of its financing structure and supporting actions to implement its strategy on competitiveness, which integrates ESG sustainability and risk management. The financial support for investment projects is directed at achieving the Group's ESG Scorecard objectives.

It consists of one CapEx tranche for 120.0 million euro and a ReFi tranche for 50.0 million euro, and aims to support standard and special business investments by Feralpi Siderurgica and its subsidiaries under the 2024-2026 business plan to increase efficiency and production capability, industrial and commercial flexibility, and the product range while reducing the impact of CO₂ emissions.

The Sustainability-Linked Loan

The Sustainability-Linked Loan is directly linked to achieving ambitious environmental sustainability targets and envisages a profit trend linked to the achievement of two ESG performance indicators.

The first indicator is calculated as the relationship between direct (Scope 1) emissions, indirect (Scope 2 market-based) emissions, some Scope 3 emissions (*as stipulated in Iron & Steel industry guidelines defined by the Science-Based Targets Initiative – SBTi*) of climate-changing gases caused directly and indirectly by the Group, and the total production of rolling mills in the Group's companies.

The second indicator relates to the percentage of operating personnel in the Group's companies endorsed on the basis of standard ISO45001.

The partners

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The CapEx tranche has the support of the SACE Archimede Guarantee. Under this guarantee SACE supports financing and securities of an unlimited amount for a maximum period of 25 years. It is provided by the Italian business banking network and guarantees up to 70% of the amount concerned.

Feralpi had assistance from DLA Piper in the transaction whereas the lending institutions had assistance from Advant NCTM.

Comments



*"This financing represents another step in our journey towards reducing environmental impact", remarked **Giuseppe Pasini, Chairman of the Feralpi Group.** "Being cutting-edge in the steel industry also means showing that it is possible to combine economic growth and respect for the environment and people. Choosing a Sustainability-Linked Loan therefore substantiates Feralpi's intention to link its financial performance to achieving ESG objectives, while ensuring that our progress is transparent and measurable."*

Feralpi Group

The Feralpi Group

The Feralpi Group is one of the leading steel producers in Europe (€1.7bn turnover in 2023, with over 1900 direct employees) and specializes in the production of steels for both construction and special applications. From the parent company Feralpi Siderurgica, founded in 1968 in Lonato del Garda (Brescia), a path of growth has given rise to an international, diversified and verticalized Group upstream and downstream of the production and marketing chain. The Feralpi Group ranks among Italian and European leaders in the production of reinforcing steel in bars, smooth and ribbed wire rod, recoiled bar, drawn wire and welded mesh. Feralpi's mission is not only to produce the very best steel for the construction industry but to do so in the most sustainable way possible, while respecting people and their diversity as well as the environment, thereby setting up policies aimed at reducing consumption and emissions by using the best available technologies available and enhancing technological investments combined with ongoing innovation and research.

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