IFC-48478

Aperam Brazil



Aperam Brazil

Quick Facts

Countries	Brazil		
Specific Location	Region of Alto Jequitinhonha, Minas Gerais		
Financial Institutions	International Finance Corporation (IFC)		
Status	Active		
Bank Risk Rating	A		
Borrower	Aperam S.A.		
Sectors	Agriculture and Forestry, Energy		
Investment Type(s)	Loan		
Investment Amount (USD)	\$ 155.64 million		
Project Cost (USD)	\$ 250.00 million		

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Project Description

The proposed IFC investment is a €250 million sustainability linked loan (SLL) to Aperam SA (Aperam), a global stainless-steel producer operating in Brazil, Belgium, and France. Aperam finances the expansion of Aperam BioEnergia ("BioEnergia" or the "Company"), its Brazilian subsidiary that produces and supplies charcoal to the Company's blast furnaces for pig iron production. BioEnergia owns about 124,000 hectares (ha) in the Alto Jeguitinhonha, Minas Gerais; 66% are Forest Stewardship Council (FSC)-certified eucalyptus plantations while the remainder is covered by native vegetation and infrastructure. BioEnergia currently produces 427,200 tons of charcoal annually, with plans to expand to 539,000 tons/year by 2033. In 2023, the company sourced 30,000 m3 of traceable wood from third parties for charcoal production. More than 30 communities live within the area of influence of BioEnergia's existing forestry operations, including four (4) Quilombola communities. These communities are included in the Aperam Acesita Foundation's stakeholder engagement and corporate social responsibility (CSR) programs. The use of proceeds will finance (i) the acquisition of 42.600 ha of land (including two properties, logil (approximately 27,700 ha) and SADA (approximately 1,900 ha), totaling 29,600 hectares already acquired and around 13,000 hectares yet to be acquired), (ii) the expansion of charcoal production capacity at existing charcoal-making units (CMU), (iii) the improvements in kiln efficiency and gas burner enhancements; (iv) the establishment of a bio-oil business line utilizing byproducts from charcoal production; and (v) the expansion of seedling nursery capacity to meet the increasing demand for superior clonal seedlings from other forestry companies. Regarding the 29,600 ha of land already acquired, approximately onethird consists of established plantations. The remainder includes Legal Reserves (LR), Permanent Protected Areas (APP), and 5,000 ha inactive lands under natural regeneration. The location of the additional 13,000 ha to be acquired was not defined by the company yet at the time of appraisal.

Investment Description

• International Finance Corporation (IFC)

Early Warning System Aperam Brazil

Private Actors Description

According to the IFC, Aperam is listed on Euronext Amsterdam and the Luxembourg Stock Exchange. Aperam was created in 2011 by the spinoff of the stainless steel assets of ArcelorMittal, a leading steel and mining company. The Mittal family owns 40.33% of Aperam, with the remainder owned by the public and no individual shareholder owning more than 5%.





Aperam Brazil

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Aperam SA	Client	-

Contact Information

<u>IFC</u>

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries.

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Campaign Documents

• Business & Human Rights Resource Centre: Brazil: Eucalyptus plantations grown to make charcoal for t