

 Early Warning System

IFC-48478

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)	\$ 275.00 million
Project Cost (USD)	\$ 275.00 million



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 Jequitinhonha, 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, Jogil (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 by-products 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 one-third 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)



Contact Information

IFC

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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/>