

Sonae Arauco signs its first sustainable financing agreement amounting to €184 million, led by CaixaBank

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- ***The price of financing has been linked to Sonae Arauco's increased use of recycled wood and reduction of work-related accidents in its factories.***

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Sonae Arauco, one of the largest providers of wood-based solutions worldwide, has signed its first sustainable financing agreement for a syndicated loan of €184 million, led by CaixaBank. The agreement's interest rate has been linked to two ESG (Environmental, Social and Governance) indicators: the increased use of recycled wood and the reduction of work-related accidents in its factories.

CaixaBank led the syndicated loan, acting as financing coordinator and sustainability agent. Abanca, Caixa Geral de Depósitos, Export Development Canada and The Bank of Nova Scotia have also participated in the operation.

According to António Castro, Sonae Arauco's CFO: "This financing agreement is aligned with Sonae Arauco's strategy and is proof of our commitment to the business' sustainable growth, with the health and safety of our staff as our top priority."

"Linking Sonae Arauco's sustainability performance to its financial performance is a natural step helping us to realise our vision of developing wood solutions that improve people's lives and help address the challenge posed by climate change", he added.

As part of this funding, Sonae Arauco has committed to increasing the volume of recycled wood in its products by 19% by 2026 and set the target of significantly reducing work-related accidents through extended sick leave.

S&P verified the materiality of the selected indicators and proposed KPIs, as well as the Sustainability Performance Targets set throughout the term of the financing agreement. In its report, called the Second Party Opinion, S&P has outlined an ambitious ESG growth path for the company and alignment with the Sustainability-Linked Loan Principles issued by the Loan Market Association.

Clifford Chance and Garrigues acted as legal advisers in the financing agreement.

Sonae Arauco products sequester 3.5 million tonnes of CO2

Last year, Sonae Arauco sequestered around 3.5 million tonnes of CO2 with the products it placed on the market.

The pillars of the company's activity, in terms of sustainable development, are based on a circular economy model that revolves around exploiting wood, a natural, reusable and recyclable raw material that can be continuously incorporated into the industrial process and has a remarkable capacity to store CO2.

Sonae Arauco's value chain begins with the use of wood entirely originating from sustainable and responsibly managed sources (including by-products from the wood industry) and, as part of the circular approach, closes the cycle with the reuse and recycling of wood waste, which is also used in the production of wood-based panels.

All the wood used in this process comes from sustainable, certified or controlled sources that are managed responsibly and carefully checked. To that end, Sonae Arauco holds two of the world's leading certificates: the PEFC™ (Programme for the Endorsement of Forest Certification) and the FSC®'s (Forest Stewardship Council®) chain of custody standard (FSC® C104607).

About Sonae Arauco

Sonae Arauco is one of the largest providers of wood-based solutions worldwide. The company's commitment to sustainable development encompasses the exploitation of timber stocks with forest certification, a circular bioeconomy model and the permanent integration of recycled wood into the industrial process.

Sonae Arauco's portfolio includes a wide range of products that meet the various needs of the furniture, interior design, and construction industries, from the most standard to the most technically complex projects, which are marketed under the Core & Technical® and Agepan® System brands. It also has a vast range of decorative products under the Innovus® brand.

The company was set up as a joint venture between two important global players in the wood sector: Sonae Indústria and Arauco. Both share the same long-term business vision to promote the use of sustainable wood on a global scale.

The company currently employs 2,600 people in 9 countries (Portugal, Spain, Germany, South Africa, United Kingdom, France, Holland, Switzerland and Morocco), and has 20 industrial and commercial units selling its products in approximately 80 countries.

CaixaBank, committed to sustainability

CaixaBank is one of the financial institutions most committed to sustainability. Through its activities, the Bank is supporting environmentally friendly initiatives and projects that contribute to preventing and mitigating climate change and encourage social development and the transition to a low-carbon economy.

In 2021, the bank mobilised €31.4 billion in sustainable financing, representing a 150% increase year on year.

CaixaBank ranked as the 6th bank in Europe in green and sustainable loans in the League Tables Top Tier by volume, according to Refinitiv, and is Spain's topbank in this ranking.

CaixaBank in Portugal

CaixaBank has a significant presence in Portugal through its subsidiary Banco BPI, the fourth largest financial institution operating in Portugal in terms of assets (€41.4 billion), with an 11.1% market share in gross lending and 11.4% in customer deposits. The bank has a workforce of nearly 4,478 people and 349 branches in Portugal, serving nearly 2 million customers. In addition, CaixaBank has a bank branch licence in Portugal and two offices in Lisbon and Porto that report to the Equities & Corporate Finance Area within the CIB & International Banking Division and provide merger and acquisition (M&A), equity analysis and trading services.



Bank of the Year
2021 in Spain



Best Bank in Spain 2021
World's Best Bank
Transformation 2021



Best Bank in Spain and Best Bank in Western Europe 2021
Best Consumer Digital Bank in Spain 2021
Outstanding Financial Innovator in Western Europe 2021
Most Innovative Private Bank in Western Europe 2022