



Press release

SIJ GROUP – OPPORTUNITY FOR SUSTAINABILITY-ORIENTED INVESTORS

Ljubljana, 6 September 2023 – **The SIJ Group has published the Second Party Opinion¹, an independent opinion issued by ISS Corporate Solutions (hereinafter ISS), the Sustainable Finance Framework, and Half Year Results 2023.**

The SIJ Group continues to take decisive steps in the area of sustainability. In this context, it has identified a number of opportunities to work with new customers and investors who understand the positive financial impacts of a sustainable steel industry.

The SIJ Group today published the **Second Party Opinion**, which is the opinion of **ISS, an independent organisation**. A benchmark analysis was carried out comparing the SIJ Group's sustainability objectives with those of 31 steel and crude iron producing competitors. Two of the SIJ Group's key sustainability targets, in line with the 2030 Sustainable Development Strategy and the 2020–2030–2050 SIJ Group Decarbonisation Plan, are considered by ISS to be ambitious but achievable.

The SIJ Group is **one of five companies with a well-defined target to reduce its own emissions (Scope 1): by 2030, the specific emissions of the SIJ Group**, which is the largest steel producer in Slovenia with its SIJ Acroni and SIJ Metal Ravne steelworks, **will be cut by 51% compared to 2020**. By establishing a recycling technology that accounts for only 40% of steel production in Europe, the SIJ Group achieved levels of carbon dioxide emissions more than three decades ago that set the benchmark for the steel industry today.

In the area of occupational health and safety, efforts will be made to ensure that the six key companies of the SIJ Group in Slovenia meet the requirements of the ISO 45001 standard for occupational health and safety, which is also the top priority of the global steel industry. ISS notes that the SIJ Group is **one of only four among the 31 steel companies** surveyed that **publicly report the proportion of their operations certified to ISO 45001 for ensuring a safe and healthy working environment**. In the broader comparison group of 75 companies, which also includes companies in the metal materials and processing sector, the SIJ Group is among 11 comparable companies with a similar proportion of certification. Targeted activities to ensure that all companies meet the requirements of the standard will place the SIJ Group among the top five companies.

The SIJ Group also published a **Sustainable Finance Framework** as a basis for future approaches to financing with a sustainable development dimension. The proceeds from these financial instruments will contribute to business, environmental, and social objectives.

¹ The Second Party Opinion is an independent analysis of the framework for sustainable finance.

The Sustainable Finance Framework is aligned with the International Capital Market Association's Sustainability Bond Guidelines and the Loan Market Association's Sustainability-Linked Loan Principles.

The green transition, with which the European Union aims to achieve climate neutrality by 2050, requires an economy that is sustainable and circular. From this perspective, steel is one of the most important industries in Europe – from a purely business point of view, for the sustainable production of steel (which is in fact the most recycled material in the world), and also for applications in areas that will enable Europe's green transition. The SIJ Group's operations have been rooted in sustainability for a long time. It is confident that in the context of the transition to a decarbonised steel industry, it can reach new customers who are already directed by market demands and legislative changes towards the use of steels produced with more environmentally friendly technologies – steels which the SIJ Group already produces today. In 2022, 77% of the activities of the SIJ Group were aligned and compliant with EU taxonomy, while more than 90% of the activities of the SIJ Group's steel companies were aligned and compliant with EU taxonomy.

In the first half of 2023, the SIJ Group generated sales revenues of EUR 601.5 million, which is 17.6% less than in the same period last year. It achieved an EBITDA of EUR 53.7 million and an EBITDA margin of 8.9%, generating a net profit of EUR 14.2 million. The SIJ Group's business results were down compared to the first half of the previous year but comparable to the first half of 2021, when the economy was not affected by special operational circumstances. It is worth noting that in 2022, the SIJ Group, in line with its business model, passed on high energy prices to its customers. Against lower production volumes compared to 2021, this resulted in higher sales revenues last year and other improved financial indicators, delivering the best business performance ever. Given the business circumstances, these results are not directly comparable to those achieved in the first half of this year.

SIJ – Slovenian Steel Group is one of the leading producers of stainless steel and special steels in Europe. We are committed to global and European climate goals and operate in line with circular economy principles. With our steel and steel products, we are the right partner for facilitating the green transition in Europe. We are aiming to confirm our sustainability credentials by achieving certification to the stringent ResponsibleSteel standard by the end of 2023. This will position us as one of the most responsible and sustainable steel producers in the world. Our two largest companies are modern recycling steelworks, and our steel is recycled because it is made from steel scrap. With more than 3,800 employees, we are one of the largest employers in Slovenia and a pillar of the Slovenian steel sector. We are one of Slovenia's leading exporters. About 85% of our revenue is generated in foreign markets.

More information:

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