

Pfleiderer completes landmark sustainability-linked bond financing

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- *Pfleiderer issues one of Germany's first sustainability-linked bonds (SLBs) raising €750 million in proceeds*
- *Pfleiderer is one of the sustainability leaders in its industry with a track record stretching back decades*
- *Pfleiderer is uniquely positioned to benefit from the increasing demand for sustainable products in its attractive, growing end markets*

Neumarkt, 23 April 2021 - PCF GmbH ("Pfleiderer" or the "Company"), a leading manufacturer of premium engineered wood products for high-end applications in the Western European kitchen, furniture and construction end-markets, has today announced the successful completion of the refinancing of its existing debt facilities.

Pfleiderer issues one of Germany's first ever sustainability linked bonds (SLBs)

Pfleiderer has closed the placement of a total of €750 million of sustainability-linked senior secured floating and fixed-rate notes. The company has established sustainability performance targets, which commit to (1) reducing scope 1 and 2 greenhouse gas emissions by 8% and 21% by 2022 and 2025 respectively, and (2) increasing the use of recycled wood to 44% and 50% by 2022 and 2025 respectively (in each case, from their 2020 baselines). The Company will pay a penalty interest rate should it fail to meet either 2022 target. ISS ESG, a leading independent third-party provider of ESG ratings, has confirmed that the KPIs Pfleiderer has committed to are core, relevant and material to the issuer's business model and the targets set are among the top three most ambitious in the sector.

Pfleiderer's notes offering is one of the first sustainability-linked bond offerings from a German issuer and includes the first EUR-denominated sustainability-linked floating-rate note.

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Dr. Boris Gorella, CEO of Pfleiderer, said: *“The refinancing positions us strongly for future growth as Pfleiderer remains well-positioned to capitalise on the favourable long-term trends that are driving demand for our products. Sustainability has always been at the heart of our business, and our commitment to sustainable construction and to reducing our environmental footprint is clearly demonstrated through the ambitious ESG targets we have set ourselves.”*

Pfleiderer is one of the sustainability leaders in its industry with a track record stretching back decades

Sustainability has been at the heart of Pfleiderer’s business since it was founded over 125 years ago. Today, Pfleiderer is a pioneer and a leader in its industry with respect to the use of recycled wood and has delivered significant reductions in CO2 emissions over recent years in line with its carbon neutral goal.

Pfleiderer is a pioneer in the cascade utilisation of wood and recycling management and uses recycled wood, sawmill residue, and sustainable roundwood (certified by both FSC¹ and PEFC¹) in all its engineered wood products. The company also produces its own electricity, 95% of which is generated from carbon-neutral biomass.

Dr Mani Herold, CFO of Pfleiderer, said: *“This bond offering positions Pfleiderer well for the future and builds on the positive momentum we have generated. The direct link between our ESG-related KPIs and the offer structure was a key part of the offer’s success and clearly demonstrates the centrality of sustainability to our strategy as well as the importance we place on delivering sustainable growth.”*

Pfleiderer is uniquely positioned to benefit from the increasing demand for sustainable products in its attractive, growing end markets

Pfleiderer is a leading manufacturer of high-end and specialised engineered wood products with a strong position in attractive end-

¹ Forest Stewardship Council (FSC), and Programme for Endorsement of Forest Certification (PEFC)

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markets across Germany and Western Europe. The Group has premium positioning and exposure to high-growth sectors showing strong structural demand, including for home and interiors, for construction and for wholesale markets, with a strong portfolio focusing on high value-add and versatile products including furniture and kitchens. The Company benefits from long-term secular growth trends, including favourable consumer trends around home improvement and product premiumisation, as well as strong demand for sustainable construction supporting the increasing usage of wood as an environmentally friendly and renewable material.

About Pfleiderer

Pfleiderer is a leading manufacturer of premium engineered wood products, laminates and resins. Through its Engineered Wood Products division, the company produces premium wood and laminate products for fast-growing, high-end applications in the Western European kitchen, furniture and construction markets. Pfleiderer is also a leading producer of specialty and industrial resins through its Silekol division, which are used in Pfleiderer's own products and by external customers in the panel production, packaging, construction and building materials industries. Pfleiderer is headquartered in Neumarkt in der Oberpfalz, Germany, and employs around 2,200 staff primarily across five sites in Germany and one resin production site in Poland. The company has operated for over 125 years with sustainability and the renewable nature of wood at its core, with a strong focus on sustainable sourcing and manufacturing, reducing carbon emissions and protecting the environment.

For further detail on Pfleiderer's sustainability heritage and performance, the 2021 Sustainability Report is available [here](#) and Sustainability-Linked Financial Framework [here](#), or at <https://www.pfleiderer.com/ukb2b-en/sustainability>.

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