

REFRIGERATION February 15, 2024

## Refrigeration maker will pay suppliers faster if they're greener

Manufacturer unveils sustainability-linked finance programme for its supply chain following partnership with Deutsche Bank

By Andrew Seymour



Epta Group, which builds refrigeration counters and coldrooms for retail and hospitality customers, has teamed up with Deutsche Bank to launch a sustainability-linked finance programme for its supply chain.

The group insists it is the first programme of its kind in the commercial refrigeration industry and is designed to provide financial incentives to Epta's suppliers to improve their sustainability performance.

Launching initially in Italy, the programme is set to be rolled out globally.

The supply chain finance (SCF) programme means that Epta's suppliers can receive payment immediately after it has approved an invoice, with the financing costs for the suppliers being based on Epta's creditworthiness.

An added benefit of this sustainability-linked SCF is that suppliers can further reduce financing costs in the supply chain if they improve their ESG rating – in this case an ESG rating by the global sustainability rating platform EcoVadis. The more sustainable a supplier operates, the greater the pricing benefit.

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Epta has been working with EcoVadis since last year to encourage virtuous growth in environmental, social and governance terms.

The partnership is aimed at shaping a responsible ecosystem along the entire supply chain and represents a crucial pillar of the Epta Sustainable Procurement Project.

The programme is designed to build responsible, resilient supply chains and ensure Epta is meeting and exceeding the ever-changing sustainability expectations from its customers, investors and other key stakeholders.

Through EcoVadis' evaluation model, Epta is able to analyse the performance of each supplier in order to identify its strengths and areas for improvement.

Several parameters are examined, including compliance with ESG criteria, work ethics and respect for human rights, with the goal of encouraging the achievement of higher standards and steering Epta's ecosystem activities towards a conscious development in all areas of the business, including the relationship with stakeholders.

Simone Salani, purchasing and procurement director at Epta Group, said: "The finance programme developed with Deutsche Bank is an additional milestone in our mission of being the green transition enabler in the commercial refrigeration sector.

"Less than a year ago we announced the partnership with EcoVadis with the clear goal of stimulating our entire supply chain to be more transparent and sustainable. We are proud to take a further step in this direction and we believe the decision to support our sustainable partners is a strong message to the market and our stakeholders".

Milan-headquartered Epta Group employs 8,000 staff and operates several production sites in Italy and abroad.

Last year it signed an agreement with Viessmann Refrigeration to create a joint venture in Central and Northern Europe.