

## Press release

22 April 2022

### Hempel links EUR 1.5 billion credit facilities to sustainability targets

**World-leading coatings company, Hempel A/S, has successfully amended the company's credit facilities, linking borrowing costs to four sustainability targets.**

#### Key messages

- Hempel links EUR 1.5 billion credit facilities to sustainability targets
- Borrowing costs are linked to four sustainability targets
- Depending on whether Hempel meets its KPIs, Hempel's borrowing costs will be reduced or increased

This Earth Day, Hempel is "Investing in our planet" and announces amendments of our EUR 1 billion Revolving Credit Facility and our EUR 500 million Term Loan. From 2022, borrowing costs will be linked to Hempel's sustainability targets.

To help drive efforts to meet Hempel's ambitious sustainability targets, the facility's interest margin will be adjusted up or down, based on Hempel's ability to meet its four sustainability goals

Hempel's KPIs linked to its loan agreements are:

#### **Reduce scope 1 and 2 CO<sub>2</sub>e emissions**

90% reduction in absolute CO<sub>2</sub>e emissions for Scope 1 & 2 by 2025 in line with the Science Based Targets 1.5°-degree pathway

#### **Reduce scope 3 CO<sub>2</sub>e emissions**

70% of direct and indirect spend suppliers screened by 2025 through the Hempel Procurement Sustainability Screening

#### **Reduce waste to landfill at production sites**

Zero waste to landfill from production sites by end of 2025

#### **Reduce and phase out hazardous (red) raw materials (RRM)**

25% reduction of RRM (kg/1,000L paint produced) by end of 2025

"Linking our credit facilities to our ESG KPIs is a further commitment to reaching our CO<sub>2</sub> emissions reduction targets. We are proud to have received the support of our banks to rewrite the terms of this facility, incentivising us to achieve our sustainability ambitions," says Lars Joenstrup Dollerup, Executive Vice President and Chief Finance Officer at Hempel.

"Further to the approval of our science-based targets, we are taking the next step to keep us committed to achieving our sustainability goals. We are integrating sustainability into everything we do at Hempel and tackling our carbon footprint both within our own operations and across the

entire value chain,” says Katarina Lindstroem, Executive Vice President and Chief Operating Officer at Hempel. “It’s the natural next step for us to also include sustainability considerations in our financing.”

The following banks have agreed to refinance our loans according to the new terms: Nordea, Danske Bank, SEB, HSBC, Unicredit, BNP Paribas, Jyske Bank, BBVA and Commerzbank. Nordea has acted as sole Sustainability Coordinator for the facilities.

“Hempel is taking a leading role in its industry when it comes to sustainability linked financing. The sustainability KPIs that are linked to the loan agreements demonstrate a strong commitment and dedication to sustainability and sets Hempel on a very ambitious trajectory,” says Jacob Michaelsen, Head of Sustainable Finance Advisory at Nordea.

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**About Hempel**

As a world-leading supplier of trusted coating solutions, Hempel is a global company with strong values, working with customers in the decorative, marine, infrastructure and energy industries. Hempel factories, R&D centres and stock points are established in every region.

Across the globe, Hempel’s paints and coatings can be found in almost every country of the world. They protect and beautify buildings, infrastructure and other assets, and play an essential role in our customers’ businesses. They help minimise maintenance costs, improve aesthetics and increase energy efficiency.

At Hempel, our purpose is to shape a brighter future with sustainable coating solutions. We firmly believe that we will succeed as a business only if we place sustainability at our heart. Not only is it the right thing to do, it will strengthen our competitive position, make ourselves more resilient and reduce our risk.

Hempel was founded in Copenhagen, Denmark in 1915. It is proudly owned by the Hempel Foundation, which ensures a solid economic base for the Hempel Group and supports cultural, social, humanitarian and scientific purposes around the world. [www.hempel.com](http://www.hempel.com)