



News Release

July 3, 2020

Innovative sustainable financing of 70 million US dollars

Henkel first company to conclude a plastic waste reduction bond

Düsseldorf – Henkel takes another step in combining attractive corporate financing instruments with progress in sustainability: As the first company globally, Henkel concluded a plastic waste reduction bond. The proceeds from this bond, a private placement with Japanese insurance companies Dai-ichi Life and Dai-ichi Frontier Life, will be specifically allocated to projects and expenditures related to Henkel's activities to reduce plastic waste. The bond has a total volume of 70 million US dollars and a maturity of five years.

The plastic waste reduction bond underlines Henkel's commitment to [foster a circular economy and reduce plastic waste](#) and hence to Sustainable Finance. At the same time, it provides the opportunity for additional learnings from financial products which include sustainability features. In 2018, Henkel was the first company in Germany to conclude a [syndicated 'Sustainability linked Loan'](#), a credit facility linked to Henkel's performance in three independent sustainability ratings.

Contribution to Henkel's sustainability targets

"Sustainability is not only firmly embedded in our [strategic framework](#) for the future but also increasingly relevant for investors and the financial markets," said Henkel CFO Marco Swoboda. "We are proud to be the first corporate issuer of a plastic waste reduction bond, once more demonstrating our ability to conclude innovative sustainable investment instruments at attractive terms. By linking financing concepts to our plastic waste reduction initiatives, the Finance team shows its continuous commitment to actively contributing to our [sustainability agenda](#)."

"Plastic waste is one of the biggest environmental challenges globally. We have reaffirmed our clear commitment to accelerate our sustainability actions and are working towards ambitious targets for reducing plastic waste and fostering a circular economy," adds Sylvie Nicol, Member of the Henkel Management Board responsible for Human Resources and Sustainability. "This plastic waste reduction bond is a

strong signal of our conviction that especially in times like these, in midst of the current COVID-19 crisis, we need to step up our efforts to promote sustainable solutions and concepts across the whole organization and along the entire value chain.”

“Dai-ichi Life has been promoting ESG investments and actively investing in green and social bonds. This is the first-ever corporate bond to have proceeds exclusively allocated to plastic waste reduction. As the bond is being issued by a manufacturer, the impact goes directly into the supply chain where Henkel is developing more sustainable packaging solutions, for example by increasing the amount of recycled plastic,” said Kenjiro Okazaki, General Manager, Global Fixed Income Investment Dept. at Dai-ichi Life. “We expect the plastic waste reduction bond to contribute to fostering a sustainable economy and reducing plastic waste.”

Initiatives and partnerships to reduce plastic waste

The bond proceeds will contribute to finance key projects and activities in line with Henkel’s [packaging targets for 2025](#). By then, 100 percent of the company’s packaging will be recyclable or reusable*, the amount of fossil-based virgin plastics will be reduced by 50 percent and Henkel wants to help prevent waste from being disposed in the environment. Next to developing sustainable packaging solutions, Henkel is engaged in several partnerships and cross-industry initiatives that aim to drive innovation in packaging development and the transition towards a circular economy. For example, the company is a founding member of the [Alliance to End Plastic Waste \(AEPW\)](#) and [partner of the Plastic Bank](#).

HSBC acted as Green Structuring Advisor and Lead Manager on this transaction.

No further financial details of the transaction were disclosed.

More information on Henkel’s commitment and actions for sustainable packaging can be found at www.henkel.com/plastic.

* Excluding adhesive products where residue may affect recyclability or pollute recycling streams

About Henkel

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2019, Henkel reported sales of more than 20 billion euros and adjusted operating profit of more than 3.2 billion euros. Henkel employs more than 52,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose to create sustainable value, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit www.henkel.com.

About Dai-ichi Life

The Dai-ichi Life Insurance Company, Limited ("Dai-ichi Life") is one of the largest private life insurance companies in Japan. Founded on September 15, 1902, Dai-ichi Life was the oldest mutual insurance company in Japan until it was demutualized and listed on the Tokyo Stock Exchange on April 1, 2010. As of March 31, 2020, total assets were ¥36.4 trillion (USD\$335.3 billion) on a consolidated basis. Based in Tokyo, Dai-ichi Life has approximately 55,000 employees and 1,260 sales offices throughout Japan.

About Dai-ichi Frontier Life

The Dai-ichi Frontier Life Insurance Company, Limited ("Dai-ichi Frontier Life"), a member of the Dai-ichi Life Group, commenced operations in August 2007. Dai-ichi Frontier Life was founded as a manufacturer of insurance for bancassurance market in Japan, and currently boasts a top-class market share. As of March 31, 2020, total assets were ¥8.9 trillion (USD\$82.2 billion). Based in Tokyo, Dai-ichi Frontier Life has approximately 450 employees and branches located in Hokkaido, Nagoya, Osaka, Hiroshima and Fukuoka.

This information contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Statements with respect to the future are characterized by the use of words such as "expect", "intend", "plan", "anticipate", "believe", "estimate", and similar terms. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and results actually achieved by Henkel AG & Co. KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Henkel's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update any forward-looking statements.

This document includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Henkel's net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.

This document has been issued for information purposes only and is not intended to constitute an investment advice or an offer to sell, or a solicitation of an offer to buy, any securities.

Photo material is available at www.henkel.com/press

Contacts

Investors & Analysts

Lars Korinth

Phone: +49 211 797 - 1631

Email: lars.korinth@henkel.com

Mona Niermann

Phone: +49 211 797 - 7151

Email: mona.niermann@henkel.com

Dorothee Brinkmann

Phone: +49 211 797 - 5299

Email: dorothee.brinkmann@henkel.com

www.henkel.com/press

www.henkel.com/ir

Press & Media

Lars Witteck

Phone: +49 211 797 - 2606

Email: lars.witteck@henkel.com

Wulf Klüppelholz

Phone: +49 211 797 - 1875

Email: wulf.klueppelholz@henkel.com

Jennifer Ott

Phone: +49 211 797 - 2756

Email: jennifer.ott@henkel.com