

## **Etex links the cost of its EUR 600 million sustainability linked loan to its sustainability ambitions**

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**Etex has decided to link the cost of its EUR 600 million Sustainability Linked Loan with its performance in achieving sustainability targets. This Sustainability Linked Loan – where the interest margin is linked to the borrower’s fulfilment of environmental, social and governance criteria – has been granted by a syndicate of 10 banks and supervised by independent agency Sustainalytics.**

Sustainability Linked Loans are currently making a major breakthrough in the sustainable finance sector. Their interest margins are linked to the environmental, social and governance performance of borrowers, which must show a degree of maturity and ambition in terms of their sustainability strategy.

International building materials specialist Etex has decided to take out one of these loans, tying the cost of its EUR 600 million revolving credit facility with its ESG Risk Rating with Sustainalytics. Etex has committed that any financial benefit resulting from its Sustainability Linked Loan will be donated to a charity linked to its strategy and business.

Etex’s ESG Risk Rating, which will be the key factor in calculating the discount/premium on the loan margin, is determined each year by independent agency Sustainalytics. The terms stipulate that the loan margin will decrease if Etex improves its sustainability score while, conversely, if the group’s next sustainability report shows a weaker performance, its loan will become more expensive. The appeal of a Sustainability Linked Loan is that it allows the borrower to align its financings with its sustainability strategy.

In this respect, Etex has set up a clear ambition aiming to reduce its usage of water, energy and primary raw materials, along with its greenhouse gas emissions and waste, with the ambition of zero landfilling.

“Our strategy is to align our global business with our overall ambition of leading the way in terms of sustainability within our industry, said **Paul Van Oyen, CEO of Etex**. To implement this strategy, we have set up “GreenTeams” focusing on each of these important areas, such as invest in newest equipment and technologies, include CO2 calculation for future investments to support long-term sustainable decisions and become a world leader of prefabricated modular building solutions. This Sustainability Linked Loan is both motivating us to improve our extra-financial performance and helping our teams bring about change within the business.”

BNP Paribas Fortis is acting as Sustainability Coordinator and Facility agent for Etex’s long-term banking partners participating in the revolving credit facility.

“I’m delighted that the Etex group has chosen BNP Paribas Fortis to set up this Sustainability Linked Loan facility to accompany its sustainability efforts, said **Max Jadot, CEO of BNP Paribas Fortis**. This green loan illustrates that we, and the other banks in the syndicate we represent, are offering innovative and sustainable solutions to our clients with the aim of putting the economy on the path to a low-carbon future.”

The revolving credit facility will fund the group’s general corporate purposes and is due to expire in October 2023, with an option to extend up to 2 years.



### About Etex

Etex is an international building materials specialist; the company wants to inspire people around the world to build living spaces that are ever more safe, sustainable, smart and beautiful.

Founded in 1905, headquartered in Belgium, Etex is a family-owned company with 14,500 employees globally, and operates 113 production sites in 42 countries. Etex fosters a collaborative and caring culture, a pioneering spirit and a passion to always do better for its customers.

Building on its experience and global market needs, the company strives to improve its customers quality of living with ever more effective lightweight solutions. Its three R&D centres support four global sales divisions:

- **Building Performance:** dry construction solutions including plasterboards and fibre cement boards, plasters and formulated products, passive fire protection and associated products.
- **Exteriors:** a range of aesthetic fibre cement materials for use in agriculture, architectural and residential exteriors.
- **Residential Roofing:** concrete and clay roof systems including tiles and roofing components.
- **Industry:** fire protection and high performance insulation products for the construction and OEM (Original Equipment Manufacturer) industries.

Etex is Inspiring Ways of Living, for more information, please visit our website: [www.etexgroup.com](http://www.etexgroup.com)

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**About BNP Paribas Fortis ([www.bnpparibasfortis.com](http://www.bnpparibasfortis.com))**

BNP Paribas Fortis offers the Belgian market a comprehensive package of financial services for private individuals, the self-employed, professionals, SMEs and public organisations. In the insurance sector, BNP Paribas Fortis works closely with Belgian market leader AG Insurance. The bank also provides wealthy individuals, corporations and public and financial institutions with custom solutions for which it can draw on BNP Paribas' know-how and international network.

**About BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com))**

BNP Paribas is a leading bank in Europe with international reach. It is present in 72 countries, with more than 202,000 employees, of whom more than 154,000 are in Europe. The Group has key positions in its three major business areas: Domestic Markets and International Financial Services, whose retail banking and financial services networks are grouped into Retail Banking & Services, and Corporate & Institutional Banking, which focuses on corporate and institutional clients. The Group supports all of its customers (individuals, associations, entrepreneurs, SMEs, large businesses and institutions) in carrying out their projects by offering them financing, investment, savings and protection services. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leading specialist in retail financing in Europe. BNP Paribas is also developing its integrated retail banking model in the Mediterranean basin countries, Turkey and Eastern Europe and has a significant network in the West of the United States. In its Corporate & Institutional Banking and International Financial Services businesses, BNP Paribas enjoys leadership in Europe, a strong presence in the Americas, as well as a solid and fast growing business in Asia Pacific.