



22 May 2018

Renewi plc

RNS

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## **Renewi plc** **(“Renewi” or “the Company”)**

### **Refinancing of existing €550m banking facilities within innovative long term Green Framework**

Renewi plc (LSE: RWI), the international waste-to-product company, today announces that it has signed an amendment and extension to its main banking facility, thereby converting it to a €550m Green Loan.

Renewi is wholly focused on sustainability, with the vast majority of its assets classified as “green” as they support “pollution prevention and control” as defined in the ICMA Green Bond Principles and the LMA Green Loan Principles. Renewi is one of the first FTSE 250 companies to refinance its entire bank borrowings using this green certification.

The facility is also one of the first to introduce sustainability improvement into the terms of the borrowing facility. Accordingly, Renewi will benefit from a lower margin payable on its borrowings in the event that it achieves each of five ambitious sustainability objectives. These are:

- Increases in Recycling and Recovery Rates;
- Growth in Carbon Avoidance;
- Increase in fleet efficiency, reducing emissions;
- Transition to a low polluting Euro VI fleet; and
- Ongoing reduction in the 3 day accident rate.

The specific measures for each of the targets will be disclosed in Renewi’s annual Corporate Social Responsibility (CSR) Report which will be published on the Company’s website on 11 June.

The €550m facility has been extended to May 2023 with options to extend into 2025. It is structured so as to allow future green bonds and green debt placements to be issued under the same Green Framework.

The innovative green facility has been financed by Renewi’s six relationship banks: ABN, BNPPF, HSBC, ING, KBC and Rabobank. This strong endorsement from the banks, demonstrates their continued support of Renewi and broader support for the circular economy by rewarding companies that contribute positively to the environment. This funding support directly enables Renewi to make incremental investments to achieve its sustainability targets.



**Toby Woolrych, Chief Financial Officer at Renewi, said:**

*“We are delighted with this green conversion of our banking facilities with our six banks and to do so using this innovative and ground-breaking Green Framework. This facility secures our funding for the long term and demonstrates that our focus on sustainability is matched with our approach to financing. This summer we will be committing to ambitious new sustainability objectives and this facility ensures that by giving new life to used materials we can also reduce the costs of our funding.”*

**Leonie Schreve, Head Sustainable Finance from ING, said:**

*“Renewi is a “Pure Play” sustainability focused company and virtually all its assets and operations are “Green”. Sustainability is an important strategic priority for ING and we are very proud to support Renewi to align its financing operations with its core business by formulating a Green Framework which serves as an umbrella for Renewi’s current syndicated facilities and future debt issuances. Furthermore, as Renewi is stepping up its already high sustainability standards by setting even more ambitious sustainability targets, it will be rewarded by a margin reduction when these targets are met.”*

ING and ABN acted as sustainability coordinators for the transaction.

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**Notes to Editors – background of the Green Finance Framework**

**The innovative features of this financing**

This is a highly innovative transaction in the financial markets:

- The first UK Green Revolving Credit Facility (RCF) being used for general corporate purposes
- The first UK sustainability improvement loan where the margin is linked to achievement of the company’s own Environmental and Safety Key Performance Indicators
- A Green Framework that applies the LMA Green Loan Principles in conjunction with the ICMA Green Bond Principles (see below)
- Combined use of Green Framework and ESG performance improvement feature
- A Green Assets definition that covers nearly all of the assets of the Group
- An umbrella framework that uniquely allows Renewi to issue future loans, bonds, leasing and receivables finance on Green basis

**Green Finance Framework**

A Green Bond or Green Loan is one that complies with the ICMA Green Bond Principles or the LMA Green Loan Principles which define ten eligible “Green” purposes, including “Pollution prevention and control”. Pollution prevention and control has the following relevant sub categories of “Waste collection”; “Waste treatment (processing and treatment to prevent and control pollution)”; “Waste to



energy / production of waste derived fuels”; and “Waste recycling”. All of Renewi’s assets fit within this definition albeit we have voluntarily excluded land fill activities, being our least Green activity, from our definition of Green assets.

<https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>  
<http://www.lma.eu.com/news-publications/press-releases?id=146>

The Principles require that we describe in detail four key aspects being: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting. These are summarised in our Green Finance Framework which is publically available on our website (<http://www.renewiplc.com/en/our-responsibilities>). This methodology is reviewed and validated by an authority on sustainability, in our case Sustainalytics, who also publish a report prior to issuing the debt confirming the issuer has followed the relevant Principles which is also published on our website.

Based on this Framework the debt is then issued in compliance with these criteria and associated reporting obligations thereby becoming a “Green Bond” or a “Green Loan”. This is a validation that the proceeds of the debt instrument are being applied to one of the ten eligible sustainability focused categories.

The EU High Level Expert Group is also looking to define Green lending criteria in EU legislation, and in January 2018 issued a consultation of their proposed approach, which is comparable to the Green Principles but would become mandatory.

[https://ec.europa.eu/info/publications/180131-sustainable-finance-report\\_en](https://ec.europa.eu/info/publications/180131-sustainable-finance-report_en)

### **Green Finance Scorecard**

Renewi has committed to the banks to improve its most important sustainability credentials over time. The targets will be published during the summer in our CSR report, based on final analysis of 2017/18 data.

The five selected Sustainability KPIs are:

- Increases in our Recycling and Recovery Rate;
- Growth in Carbon Avoidance;
- Increase in fleet efficiency, reducing emissions;
- Transition to a low polluting Euro VI fleet; and
- Ongoing reduction in our 3 day accident rate.

These measures are part of our annual CSR reporting. The banks support this contribution to society via a lower interest charge on the loan where sufficient progress has been delivered. This emphasises the role of our major financial institutions as responsible lenders supporting the efficient functioning of capital markets in a responsible way.

This type of instrument is newly created, with only a few “sustainability improvement loans” written in Netherlands, Belgium, Spain and now for a UK listed company.

### **Notes to Editors - About Renewi plc**

Renewi, created in 2017 by the merger of Shanks Group plc and Van Gansewinkel Groep B.V., is a leading waste-to-product business ideally positioned to be part of the solution to some of the main environmental problems facing society today: reducing waste, avoiding pollution, and preventing the unnecessary use of finite natural resources. With over 8,000 employees across nine countries in Europe



and North America, we have deep expertise and an extensive breadth of waste management products and services.

For us, waste is a state of mind, an opportunity. When we take away someone's waste we then give it new life. We transform a wide range of used materials into useful products and raw materials for our customers, like recycled paper, metal, plastic and glass, woodchips, compost, energy, fuel, and other products.

In the process we protect the world from contamination, preserve finite natural resources, and enable customers to meet their sustainability goals. With our deep international expertise we also provide them with an extensive product range, combined with local service and attention.

Above all, our team is committed and passionate about our mission: waste no more.

For more information please visit [www.renewiplc.com](http://www.renewiplc.com)

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