

Annual Report 2022

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Hempel Foundation
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Date: 27.04.2023
Chairman: Richard Sand

The Foundation

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Financial year:
1 January – 31 December

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Management

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Executive Director

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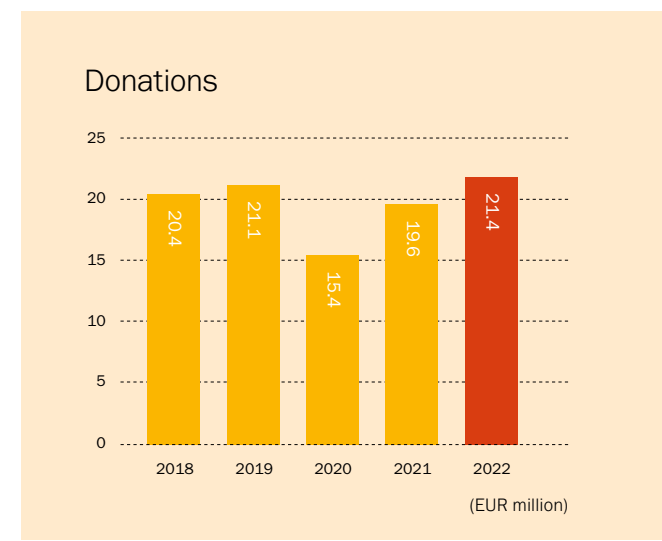
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Sleeve photo from
Saksfjed Wilderness,
Lolland, Denmark

The Hempel Foundation

Owner of the Hempel Group **and dedicated to making a positive difference**

"Teaching at the Right Level" in Uganda / VVOB



The Hempel Foundation is a commercial foundation dedicated to making a positive difference. The Foundation is the owner of the Hempel Group – a world-leading supplier of coatings – and a committed philanthropist within the fields of education and sustaining biodiversity, among others.

The Hempel Foundation was established in 1948 by Jørgen Christian Hempel, the founder of the Hempel Group. Its main purpose is to provide and maintain a solid economic base for the Hempel Group. This economic base provides a long-term framework for the Hempel Group. The Hempel Foundation's secondary purpose is philanthropic: To make a positive and sustainable difference around the globe, based on the principles set down in the Foundation's trust deed.

Within our philanthropic work, we aim to contribute to sustainable impact on some of the biggest and most urgent global challenges facing us today.

We work strategically to both lead and leverage in the ongoing fight to empower children living in poverty to learn as well as to sustain some of the planet's most important and valuable nature. We work to make tangible change, and we aspire to accelerate positive change by scaling impact through financial and non-financial means. We aim to punch above our financial weight.

About Hempel A/S

Hempel's coatings protect and decorate man-made structures, equipment and homes. The company operates in more than 80 countries, and has over 7,500 employees, 28 factories and 12 R&D centres around the globe. Hempel A/S is ultimately 100 per cent owned by the Hempel Foundation.

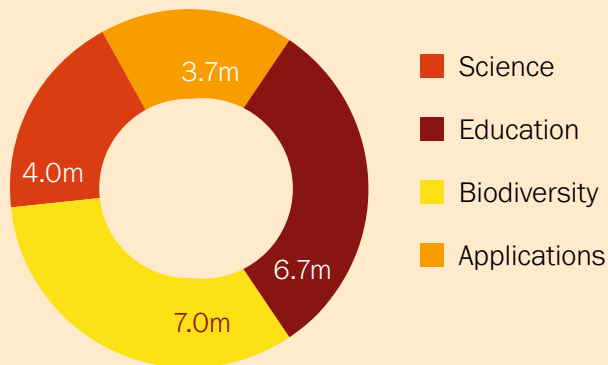
Dividends from Hempel A/S

Dividends from Hempel A/S are still the prime source of income for the Hempel Foundation, supplementing the direct income derived from real estate investments and financial investments.

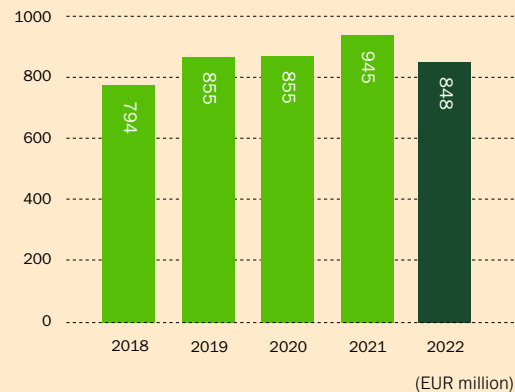
No person or entity owns any part of the Hempel Foundation, which is a self-owning entity. Therefore, no individual shareholder receives any dividends or profit from the Foundation.

There is no link between the commercial interests of the Hempel Group and the philanthropic activities of the Foundation. However, Hempel A/S is by far the principal source of income for the Foundation. Therefore, in the long term, the better the performance of Hempel A/S, the more dividends are paid to the Foundation – and the bigger the impact of the Foundation's philanthropic work.

Donations 2022 (EUR)



Total assets



Management's statement

Kgs. Lyngby, 27 April 2023

The Board of Trustees and the Executive Director (Management Board) have today considered and adopted the Annual Report of the Hempel Foundation for the financial year 1 January – 31 December 2022.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Foundation's financial statements give a true and fair view of the assets, liabilities and financial position of the Foundation as at 31 December 2022

and of the results of the Foundation's operations and cash flows for 2022.

In our opinion, the management's review includes a true and fair account of the development of the Foundation's operations and financial affairs, the profit for the year, and the Foundation's financial position, together with a description of the principal risks and uncertainties the Foundation faces.

The Annual Report has been submitted for adoption at the Board Meeting.

Management



Anders Holm
Executive Director

Information about each Board member's background, competencies, election period, etc. can be found at hempelfoundation.com/Hempel-foundation/Board-of-Trustees

Board of Trustees



Richard Sand
Chair



Leif Jensen
Deputy Chair



Kim Dam-Johansen



Birgitte Hagemann Snabe



Lars Aaen



Britt Meelby Jensen



Claus Juul Petersen
Elected by the employees



Henrik Bach Falkenberg
Elected by the employees



Morten Skaarup
Elected by the employees

2022 Highlights

Achieving the highest possible impact with the resources we have available is what motivates our work in the Hempel Foundation. This requires operational excellence in all aspects of our work and just the right balance between taking leadership and putting trust in our partners. In 2022, the Hempel Foundation moved forward on all these aspects.

Financial

The Foundation's turnover in 2022 was EUR 3 million. Operating profit was EUR -0.7 million and donations were at EUR 21 million. In 2022, the Foundation's total assets amounted to EUR 848 million, while liquid investments decreased by EUR 22 million due to a generally very challenging year in the financial markets. Despite this challenging year, the Foundation's financial situation remains solid. For the further development in Hempel A/S, see section "Letter to stakeholders" on page 54.

Sustaining biodiversity in Nyungwe,
Rwanda / African Parks



Philanthropy

We constantly strive to improve our processes and approaches to support organizations or initiatives that can accelerate a positive and sustainable change for children, nature and society, at scale.

At the core of our partnership model is **flexibility and agility**. These virtues were applied when multiple and interconnected crises hit us such as the war in Ukraine, increasing cost of living, and food crises on the African continent. The direct and indirect consequences for our partners working to support education and sustain biodiversity in lower income countries have been severe and have required reprioritization of budgets, extending projects and adjusting strategies for delivering activities on the ground.

Throughout the year, we have learned that taking a proactive approach can lead to impact at scale. As a result, we have set an ambitious goal to become one of the most impactful philanthropic organizations. To achieve this, we need to strengthen our partnership model and collaborate with our partners to increase our capacity to add value to our partnerships. We must explore ways to provide non-financial resources that can help organizations grow and scale their impact. By doing so, we can make an even greater difference.

In addition to our core model, this year we pushed ourselves to apply more leadership in our philanthropic work. A few examples of this are:



We further developed our **Elimu Soko initiative for foundational learning in Africa**. Evidence shows that there is plenty of goodwill in governments and education innovators – however the two can find it hard to meet. With the Elimu Soko initiative, we hope to establish a marketplace (Soko) where innovators in education (Elimu) can collaborate with funders and governments.



Madagascar where we were provided the funding and support needed to bring 35 stakeholders together to create a shared vision and strategic plan for the landscape. At stakeholder meetings in late 2022, more than 35 different partners came together from the government, NGOs, corporations, communities and donors, culminating in the creation of a coalition for more effective conservation of the landscape.



Saksfjed Wilderness, Denmark. By the time of COP 15 for biodiversity, the Hempel Foundation had already made its first major commitment to the biodiversity agenda in Denmark by investing in 775 hectares of nature and agriculture with the ambition to create one of the most important nature sites in Denmark and a beacon for the promotion of biodiversity. Thus resonating the global ambition of increasing the share of protected land significantly.



And we finally took matters into our own hands to reach out to **local sailing clubs in Denmark to increase opportunities for children and youth** to get into the great outdoors and engaged in activities on the water with our open call 'Søsat'. It runs within our DNA to support smooth sailing and an active life on water.

Primary education in Kurigram, Bangladesh / BRAC

Education

The Hempel Foundation Approach



Where we work:
Least Developed Countries
– rural areas



What we focus on:
Fighting Learning Poverty –
ensuring foundational skills,
literacy, numeracy



What we aim to achieve:
Supporting one million children
obtain better access to quality
basic education



Who we work with:
UNICEF, Save the Children,
Oxfam Ibis, SOS Children's
Villages, BRAC, VVOB, Voluntary
Services Overseas(VSO),
Streetchild, Twaweza, Ubongo

We align our **education projects** with UN Sustainable Development Goal 4 – **QUALITY EDUCATION**.

As part of our strategy for education, we **focus on two underlying targets** (within our main focus on primary education) against which we assess our performance.



TARGET 4-1



By 2030, ensure that all girls and boys complete free, equitable, and quality primary and secondary education, leading to relevant and effective learning outcomes.

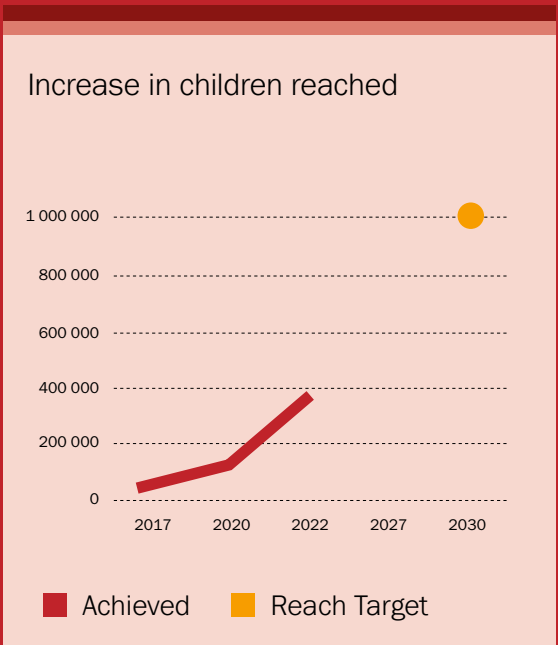
TARGET 4-5



By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.

Headlines from our direct contributions in 2022:

- Since 2011 we have supported **387,000 children** with foundational learning
- In 2022 alone, we more than **doubled** our annual reach and supported **250,000 children** with foundational learning
- We committed grants to projects and initiatives with a total value of **EUR 6.4 million** that will be supporting foundational learning for **108,000 children** in Madagascar, Nepal and Sierra Leone



Delivering on our **Education Strategy**

Our 2021 – 2023 strategy sets out three courses of action:



SCALE Developing and delivering cost-efficient and scalable learning interventions

Immediate and large-scale learning interventions are needed to avoid that a generation of children in least developed countries grows up in learning poverty. This requires development and delivery of learning interventions focusing on effective approaches with a proven potential for delivering impact at scale.



EDTECH Unleashing the potential of EdTech to support the delivery of quality education

To enable impact at scale that significantly reduces learning poverty towards 2030, it is critical to unleash the potential of EdTech to support the delivery of quality education in the least developed countries.



COLLABORATION Catalysing collaboration, knowledge-sharing and awareness-raising

Only through the collective efforts of all key stakeholders within and across countries will it be possible to significantly reduce learning poverty. Enabling such collective efforts requires convening key stakeholders to share new knowledge and raise awareness that can mobilize and sustain efforts towards combatting learning poverty.





Improving literacy in Zambia / UNICEF



Achievements

Through 2022 the projects we decided to support in 2021 got off the ground and started delivering results for teachers and children on the ground. In Bangladesh, Uganda, Zambia, Sierra Leone and Rwanda the new projects supported learning for more than **75,000** children. Other projects accelerated their reach, such as in Madagascar, where our partner UNICEF changed the delivery model from a focus on out of school children to all children in early grades, reaching an additional **53,000** children in 2022.

This acceleration of reach is absolutely crucial as we face an unprecedented learning crisis. But whilst our support and that of our partners is crucial for the children we help reach, it is but a drop in the ocean considering the scale of the problem. We therefore need to support solutions that enable governments to strengthen basic education and delivery of remedial learning at scale!

Looking back at 2022, we are proud to see how partner organizations, with our support and in collaboration with governments, are accelerating their actions on the ground and creating real change for thousands of children.

Scale

Project highlights for 2022



Scaling remedial learning in Madagascar

In partnership with UNICEF, we have responded to the government's request to refocus our activities to not only focus on getting out-of-school children back into school but also to provide continuous support to students lagging behind in school in order for them to develop foundational learning and stay in school. This has broadened the reach of the programme substantially, increasing the number of children reached from 23,000 in 2021 to 87,000 in 2022.

40,000 children provided with remedial learning support in rural Zambia

In Zambia, the Hempel Foundation supported a massive scaling of a remedial learning programme for all grade 3-5 children which the government of Zambia aims to deliver nationwide. The programme aims to provide education to children at the level they are at in regards to learning needs and is delivered with the support of UNICEF and VVOB. The remedial learning programme uses an approach called 'Teaching at the Right Level' and is currently in eight out of 10 provinces in Zambia.

Accelerating learning for out-of-school children in rural Bangladesh

During 2022, a successful start-up phase was conducted with the government to identify the specific schools to be targeted, and this allowed BRAC to complete the training of 335 teachers and complete Catch-up activities for the first cohort of 8,375 learners. The projects scopes 25,125 school children who will complete a 10-month learning programme to catch up for lost learning before being transferred to government schools at either grade two or three.

Introducing Teaching at the Right Level in Uganda

While 'Teaching at the Right Level' has proven successful in other countries e.g. Zambia, it has only recently been introduced in Uganda. In 2022, we kickstarted our new partnership collaboration with VVOB by training 115 teachers at 24 schools offering remedial learning classes to a total of 5,500 children. Towards 2024 the remedial learning programme will be further scaled, reaching a total of 100 schools and an estimated 33,000 children.



What is Teaching at the Right Level?

TaRL was designed to help Grade 3 to 5 (and even older) children who have been “left behind” to “catch up” quickly. Today, TaRL reaches millions of children each year across India, Africa, South Asia, and Latin America. We are currently working with the TaRL approach in Zambia, Uganda, Madagascar and Nepal.



Supporting the development and scaling of remedial learning in Rwanda

While Rwanda has seen tremendous progress in school enrolment, at least three out of 10 children do not complete primary school. And many of those who do, have limited skills in literacy and numeracy. With our partners UNICEF and SOS Children's Villages, we work to support children at risk of dropping out with remedial learning programmes. Results from the programme are now informing the work of the government, which has committed to embed and institutionalize remedial learning through an upcoming national strategy aiming at accelerating foundational learning.

27-year-old Vedaste has been a teacher for five years, and through extra classes he wants to make his students better and happier. This summer, Vedaste and his colleagues received training through the project Kura Umenye in giving vulnerable students extra education, so that the children have a stronger foundation for the future.

"Unfortunately, we find that a lot of children don't finish school and instead drop out early," he says.

"I have three goals for extracurricular classes that I hope to complete. I hope that the students become academically better, that many more students finish school, and most importantly, that the students become happier and thrive better," he says hopefully.



Mobilising “mentors” in local communities to support children’s learning

Though the Hempel Foundation focuses its support around interventions with scaling potential within government schools, we understand the importance and value of supportive interventions that mobilise the resources of local communities. In our partnership with VSO in Nepal, we are supporting local community volunteers, equipped with skills and knowledge to act as mentors for primary school girls. The approach is called Big Sister and has shown to be significant in progressing children’s learning.

The Big Sisters are young women aged 16-30 years from the same community who at least have completed secondary school. The Big Sisters are trained on mentoring and coaching so they can provide emotional and psychological support to the children to support them to continue their education and learning. Big Sisters will monitor children’s attendance and learning status, and they will counsel parents and children on education and other issues/barriers to continue their learning and provide proper guidance to them. Through 2022 youth volunteers were selected and sensitized on harmful social norms, importance of education, child rights, parental engagement on the importance of child learning.

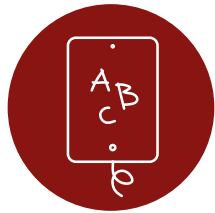
Providing quality bilingual learning material to 30,000 Achi children in Guatemala

In Guatemala, the Hempel Foundation is partnering with Oxfam to support Achi children, a Maya ethnic group in Guatemala, who live the region of Baja Verapaz, with access to a quality bilingual education. The aim is to improve Achi children’s foundational learning, keep them in school, value their culture and improve their opportunities in life. As part of the partnership, Oxfam together with local partners have translated the reading material “Kemab’al Ch’a’teem” into Achi. The material has been evaluated and approved by the Ministry of Education. Through the project, teachers have been trained in using these new materials to increase the quality of teaching. The strong project results led the Ministry of Education to distribute the materials in Achi to all (30,000) bilingual children in Baja Verapaz and all teachers in the area will be trained in using this material as part of the project to ensure quality education for all Achi children in Guatemala.

EDTECH

Project highlights

” **A total of 520 teachers accessed learning modules with a completion rate of 91%.** The phone-based learning not only enabled professional development for teachers in a time of lock-down, it also proved to have positive effects on teacher retention



Ensuring positive learning outcomes despite school closures in Bangladesh

The Covid-19 pandemic hit Bangladesh a few months after the Hempel Foundation launched a project to support 10,400 girls who were at risk of dropping out of the school system. Hempel Foundation partner, Save the Children, acted swiftly to adjust the project to the new reality. Remote learning opportunities using tablets and online learning modules became the backbone of the project.

Now, after almost two years of school closures, an Effectiveness Study conducted by the Institute of Education and Research, Dhaka University revealed that the EdTech-based remote learning approach enabled the girls to continue learning despite school closure– and even to significantly improve their performance in all three surveyed subjects: Bangla, English and Mathematics.

Supporting professional development for teachers through mobile technology in Uganda

The Foundation’s meticulously planned teacher professional development project in Uganda had just kicked off, when COVID-19 hit. Swift action by implementing partner Save the Children meant that the teacher training was not halted during the almost two year’s of lock-down.

An innovative EdTech approach was added to the original project design by introducing phone-based teacher training through the mobile phone application Viamo.

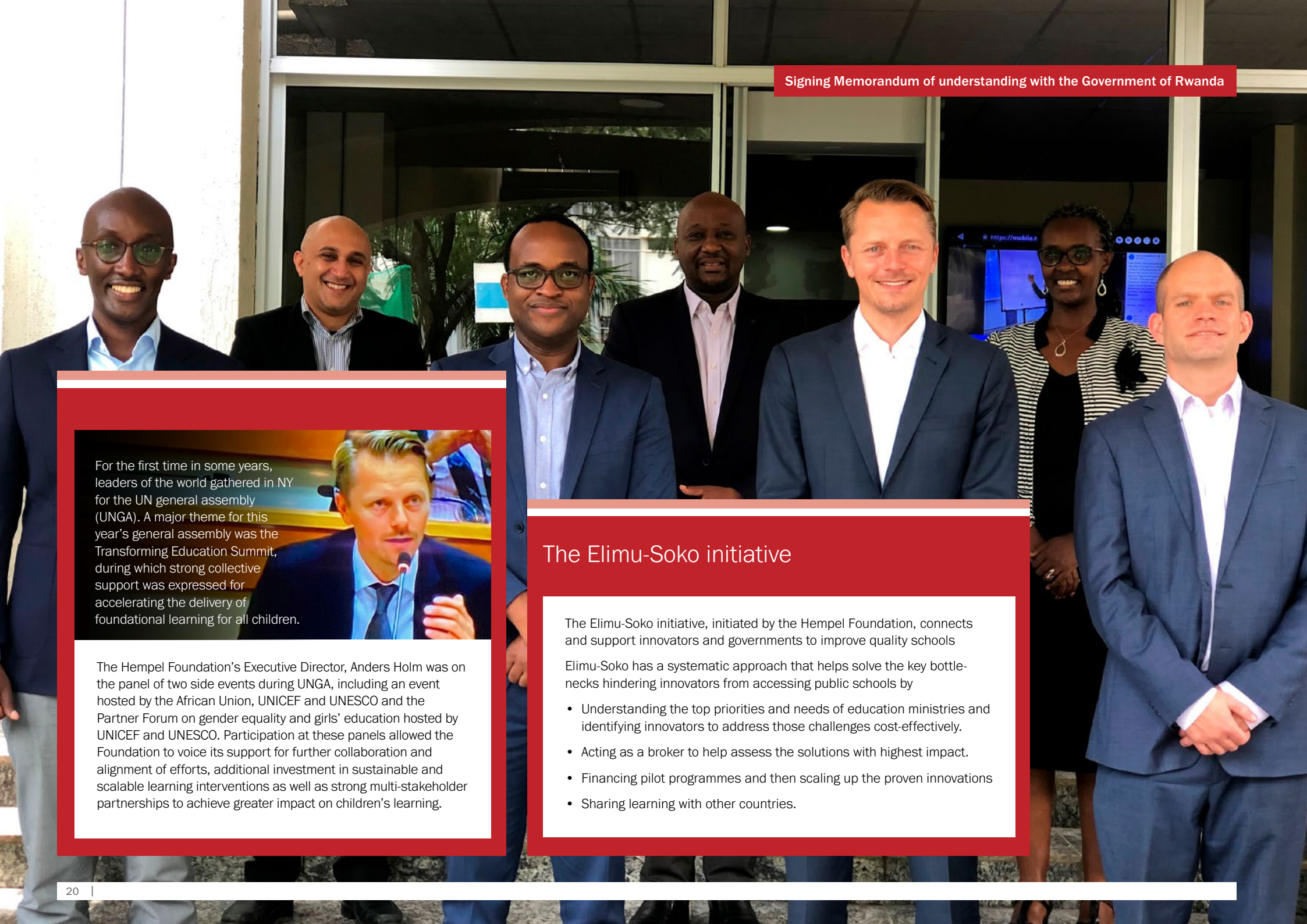
A total of 520 teachers accessed learning modules with a completion rate of 91%. The phone-based learning not only enabled professional development for teachers in a time of lock-down, it also proved to have positive effects on teacher retention. The success of the approach was recognized by the Ministry of Education, with interest in expanding the programme to additional schools and funding secured from other sources.



Improving learning outcomes in Uganda / Save the Children



Education technology in Bangladesh / Save the Children



For the first time in some years, leaders of the world gathered in NY for the UN general assembly (UNGA). A major theme for this year's general assembly was the Transforming Education Summit, during which strong collective support was expressed for accelerating the delivery of foundational learning for all children.



The Hempel Foundation's Executive Director, Anders Holm was on the panel of two side events during UNGA, including an event hosted by the African Union, UNICEF and UNESCO and the Partner Forum on gender equality and girls' education hosted by UNICEF and UNESCO. Participation at these panels allowed the Foundation to voice its support for further collaboration and alignment of efforts, additional investment in sustainable and scalable learning interventions as well as strong multi-stakeholder partnerships to achieve greater impact on children's learning.

The Elimu-Soko initiative

The Elimu-Soko initiative, initiated by the Hempel Foundation, connects and support innovators and governments to improve quality schools

Elimu-Soko has a systematic approach that helps solve the key bottlenecks hindering innovators from accessing public schools by

- Understanding the top priorities and needs of education ministries and identifying innovators to address those challenges cost-effectively.
- Acting as a broker to help assess the solutions with highest impact.
- Financing pilot programmes and then scaling up the proven innovations
- Sharing learning with other countries.

Collaboration



Project highlights

Launch of Elimu Soko demonstration project in Rwanda

Solutions to address learning poverty are continuously being developed and there is an increasing interest from social entrepreneurs, start-ups, and education ventures seeking to support governments in addressing systemic gaps and barriers for education in public schools. However, examples of successful collaboration between governments and innovators are few. We developed the Elimu Soko initiative in 2021 with the ambition to create a marketplace (Suko) where innovators in education (Elimu) can collaborate with funders and governments.

To demonstrate good practice in bridging the divide between governments and innovators, an official agreement was made in the beginning of 2022 between the Government of Rwanda, the Hempel Foundation and Dalberg Advisors to carry out a project that would support the government in testing solutions' fit for supporting teacher training at scale. During 2022 the implementation plan was developed to test the solution across 40 schools during 9 months of 2023.

Launch of innovative programme in Sierra Leone tying funding to measurable results in collaboration with donors, implementing partners and government

In 2022, the Hempel Foundation joined an innovative initiative that brings together governments, donors, investors and implementing partners, to achieve concrete education targets to support long-term, systemic impact in Sierra Leone. The initiative is led by the Education Outcomes Fund with the support of UNICEF, which provides administrative support.

The initiative has been set up to reward the achievement of outcomes (e.g. improved learning) rather than outputs (e.g. teachers trained). The programme was launched in September 2022 and will support 325 public primary schools over three years to improve literacy and numeracy for approximately 130,000 children.

Biodiversity

The Hempel Foundation Approach



Where we work:
Key Biodiversity Areas



What we focus on:
Sustaining biodiversity with a focus
on tropical forests



What we aim to achieve:
Sustainable coexistence of people
and nature



Who we work with:
African Parks, Birdlife International,
FAPBM, STEP, The Nature
Conservancy, UNEP-WCMC, Whitley
Fund for Nature, Wildlife
Conservation Society, WWF

Black lemur in Madagascar / BirdLife International

We align our **nature projects** with UN Sustainable Development Goal 15 – **LIFE ON LAND**.

As part of our strategy for biodiversity, **we focus on two underlying targets** for our focus on sustaining ecosystems and biodiversity, against which we assess our performance.



By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, particularly forests, wetlands, mountains and drylands, in line with obligations under international agreements.



By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and substantially increase afforestation and reforestation globally.

Headlines from our direct contributions in 2022:

- In 2022 we committed **grants to projects and initiatives** with a total value of **EUR 7 million**
- We **supported 15 projects** with nine different partner organisations, which together contribute to sustaining biodiversity in **2.6m hectares of tropical forest**
- Project support **improved the livelihoods of over 5000 households** through income-generating activities, and enabled **restoration of over 9000 hectares** of degraded land that serve as buffer between key biodiversity areas and local communities

Delivering on our Biodiversity Strategy

Our 2022 – 2024 strategy sets out three courses of action:



Sustaining key biodiversity areas

Developing and scaling initiatives that significantly reduce deforestation and/or increase financial resources for high-biodiversity landscapes and their key biodiversity areas



Increase financial resources

Developing global initiatives that increase the financial resources available for sustaining biodiversity management at scale



Collective efforts

Catalysing collaboration, knowledge-sharing and awareness-raising that mobilize and nurture efforts to sustain biodiversity

The geographic focus areas of our Biodiversity Strategy are:

Atlantic Forest



Eastern Afrotropical



Madagascar

Indonesia



Achievements

This was the first year of implementation of the updated 2022-2024 Biodiversity Strategy. This meant increased focus on high priority regions, and new portfolios for shared learning and conservation finance. There were renewed global commitments to biodiversity at the 2022 UN Biodiversity Conference (COP 15), including a plan to put 30% of the planet under conservation protection by 2030 and a focus on increasing financing for conservation. Our strategic approach is well aligned, and will help countries to achieve these ambitious targets.

Throughout 2022, the portfolio of biodiversity projects already underway continued to deliver excellent conservation results in high-biodiversity tropical forest landscapes in Indonesia, Uganda, Rwanda, Cameroon, Madagascar, the Democratic Republic of Congo, Paraguay and Ecuador. The Birdlife Accelerator programme and the TNC African Carbon Catalyst programme both continued to nurture new conservation finance initiatives, several of which we are following closely to potentially support them further in the future if they show success.

We launched three new partnerships in 2022 that aim to conserve critically important tropical forests across Brazil and Madagascar. We gave a follow-up grant to consolidate a mountainous forested landscape in Uganda, and we supported two very

exciting early-stage initiatives that aim to create coalitions for improved conservation in South Sudan, Ethiopia and Tanzania. We also supported a new and innovative global capacity-building programme that will sponsor early career conservationists and support over sixty local NGOs in high-biodiversity regions around the world.

The updated Nature Strategy highlights the importance of collaboration and shared learning, so the emphasis for all our support in 2022 was on coalition-building and increased coordination by partners for improved conservation and impact. Only by working together can we achieve effective conservation, help local partners be the best they can be, and conserve millions of hectares of high biodiversity tropical forests around the world.

Sustaining key biodiversity areas

Project highlights for 2022



Working with community-based organisations to protect the Tsitsongambarika Forest in Madagascar

This project aims to provide alternative incomes to local communities to reduce pressures on the forest and its exceptional biodiversity, and to restore cleared areas of forest. Birdlife International and local NGO partner Asity supported over 990 households (5000+ people), and began restoration of natural forests in over 200 hectares of degraded land. Deforestation rates are now declining.

Strengthening park management in Mbam Djerem National Park in Cameroon

This project aims to improve park management, support local communities, and create new mechanisms to sustainably finance the landscape. The Wildlife Conservation Society finalized the law enforcement strategy for the park, trained park staff, hired community rangers, and upgraded roads throughout the park. They worked with over 20 villages to develop sustainable livelihoods focusing on peanuts, bananas, cassava and livestock.

Restoring degraded land in the Singkil Wildlife Reserve in Indonesia

This project aims to provide alternative income to local communities to reduce pressure on this biologically rich park in Sumatra, and to restore previously cleared areas of forest. Over 200 hectares of degraded land was put under restoration for forest conservation, and 65 smallholder farmer groups were trained in agricultural intensification to increase income generation and reduce pressure on the forests. The deforestation rate is now declining in both the reserve and the buffer zone.

Sustaining biodiversity through innovative management of forest concessions in Borneo, Indonesia

This innovative project aims to demonstrate how the rich biodiversity of Borneo's tropical forests could be protected by reducing deforestation, habitat degradation, and forest conversion (permanent clearing for other land uses) through an alternative approach for sustainable management of forest concessions. Through 2022, The Nature Conservancy, with funding from other sources than Hempel Foundation, worked hard to purchase the rights to a forest concession in North Kalimantan. With the concession now secured for the next 33 years, our donation will enable the project to create a model for sustainable concession management in collaboration with local communities. This is the first time in Indonesia that a logging concession has been bought for the purpose of creating a conservation concession model. There are a further 55 logging concessions in Borneo that could follow this model if it is successful.



Supporting African Parks to strengthen management of Nyungwe National Park in Rwanda

African Parks took on a 20-year lease to manage Nyungwe National Park in late 2020, and we have been supporting their efforts to improve its effectiveness since 2021. This is one of the most important forests in Africa, containing exceptional biodiversity.

In 2022 there has been incredible progress in park management. A wide range of initiatives from African Parks have led to:

- an additional **40 park rangers** and **80 community rangers**
- over **400 local people employed** as guides and park maintenance workers
- a tourism revenue-sharing programme that led revenues exceeding **USD 0.5 m of income going to local communities** in 2022
- And perhaps most importantly, **poaching and logging has declined**, and **wildlife sightings have increased**.

By the end of 2022, the park had exceeded its targets both for numbers of visitors and for tourism revenue generation. The park is already rapidly moving towards financial sustainability. Combined with increased community engagement and local economic growth, we see this as a model for protected area management that can be used as a case study for other landscapes in Africa.

Rwenzori Mountains National Park, Uganda

Despite significant challenges caused by Covid, a project evaluation showed significant results, including improving the livelihood of more than 3,500 households living in the buffer zone through provision of beehives, rabbits and fishponds. Another significant result was a thorough mapping of degraded areas around the park which led to a targeted effort to initiate forest landscape restoration and at the end of 2022 a total of 2,582 ha. of degraded area was under restoration. Many other important results were achieved during the project period, but dire circumstances for the country as a whole and the population living around the park mean that challenges remain immense and the Hempel Foundation therefore decided in 2022 to extend its support and collaboration with WWF with a new project running until end of 2027.

Preventing future loss of biodiversity in Ecuador

Since 2020 the Hempel Foundation has been supporting WWF in accelerating formal legal recognition of the Llanaganates-Sangay ecological corridor, to enhance future protection of the area. The corridor is situated in the middle zone of the Pastaza river basin in a region of extremely high biodiversity value. Furthermore, the corridor is ecologically essential to ensure the connection of the two national parks and it is a hotspot for a number of important species. To achieve the legal recognition by government, the three municipalities with jurisdictions in the corridor had to agree to collectively apply for this recognition. Until mid-2022, that seemed unattainable as Covid had changed priorities of municipalities towards more short term priorities. However, due to changing political circumstances and effective work by WWF the three municipalities decided to proceed with a legal request and with the support of WWF, this was achieved in late 2022. This is a huge milestone as it gives the area a priority in terms of conservation and significantly increases protection of biodiversity in this unique area.

Increase financial resources for conservation

Project highlights



Developing projects to deliver large-scale, tangible results for climate, communities, and conservation and to become financially sustainable in eastern Africa

With our support, the African Forest Carbon Catalyst projects made good progress in 2022. A hunter-gatherer community in Tanzania is protecting a critical wildlife corridor - and their traditional way of life. In the Democratic Republic of Congo (DRC), where an intact tropical rainforest faces increasing pressure to be converted to a logging concession, we are working with local people - including the indigenous Batwa community - on a new approach to securing community rights and management. Green livelihoods, like beekeeping and eco-charcoal, connected to a new carbon project in Zambia, will help communities to shape a more sustainable future. The list goes on. Preserving critical habitat for endangered bonobos and chimpanzees, supporting agroforestry tree-planting initiatives, exploring mangrove protection – the AFCC is having an impact for good across Africa; an impact that will continue to grow as projects build momentum and scale in the coming years

Projects were selected for their potential to deliver large-scale, tangible results for climate, communities, and conservation and become financially sustainable. We also focused on landscapes that harbour both large carbon stores and high biodiversity value.

Scaling up production of Forest-Friendly Yerba Mate with local communities in the Atlantic Forest

In 2022, Birdlife International and its partners Guyra Paraguay and Aves Argentina completed the first year of a three-year project financed by the Hempel Foundation that aims to scale up a model for sustainable production of shade-grown yerba mate and other forest friendly production systems across Key Biodiversity Areas (KBA) within the Atlantic Forest of Paraguay and Argentina.

The shade-grown yerba mate model has significant potential as an alternative that could replace environmentally destructive livelihoods for communities living within and around the San Rafael Atlantic Forest in South-eastern Paraguay. The project aims to further scale a productive model that provides the rural poor with economically competitive livelihood opportunities that are also harmonious with biodiversity conservation and habitat restoration. During the year, 50 families engaged and committed to pilot diversified organic farms and Tangará, Guyra's business unit created its first sale from 115 kilograms of shade-grown yerba mate from the Ka´a Ka´aguy property managed by the business unit. A total of 16 farmers sold their shade-grown yerba mate via the Ka´a Ka´aguy Producers Association at a price 36% higher than conventional price.

Impact Investment Initiative

To respond to the significant financing gap for biodiversity conservation, the Hempel Foundation launched the Hempel Foundation Impact Investment Initiative (HFIII) that identifies and invests in funds with a triple bottom line comprised of financial, social and environmental returns. These investments not only help to address the biodiversity crisis, they also reduce the impact of the climate crisis by lowering CO2 emissions, absorbing CO2 from the atmosphere, and helping vulnerable communities in the Global South to adapt to a changing climate.

The first two investments have been made, with focus on Southeast Asia and Latin America in accordance with the Foundation's overall biodiversity strategy.

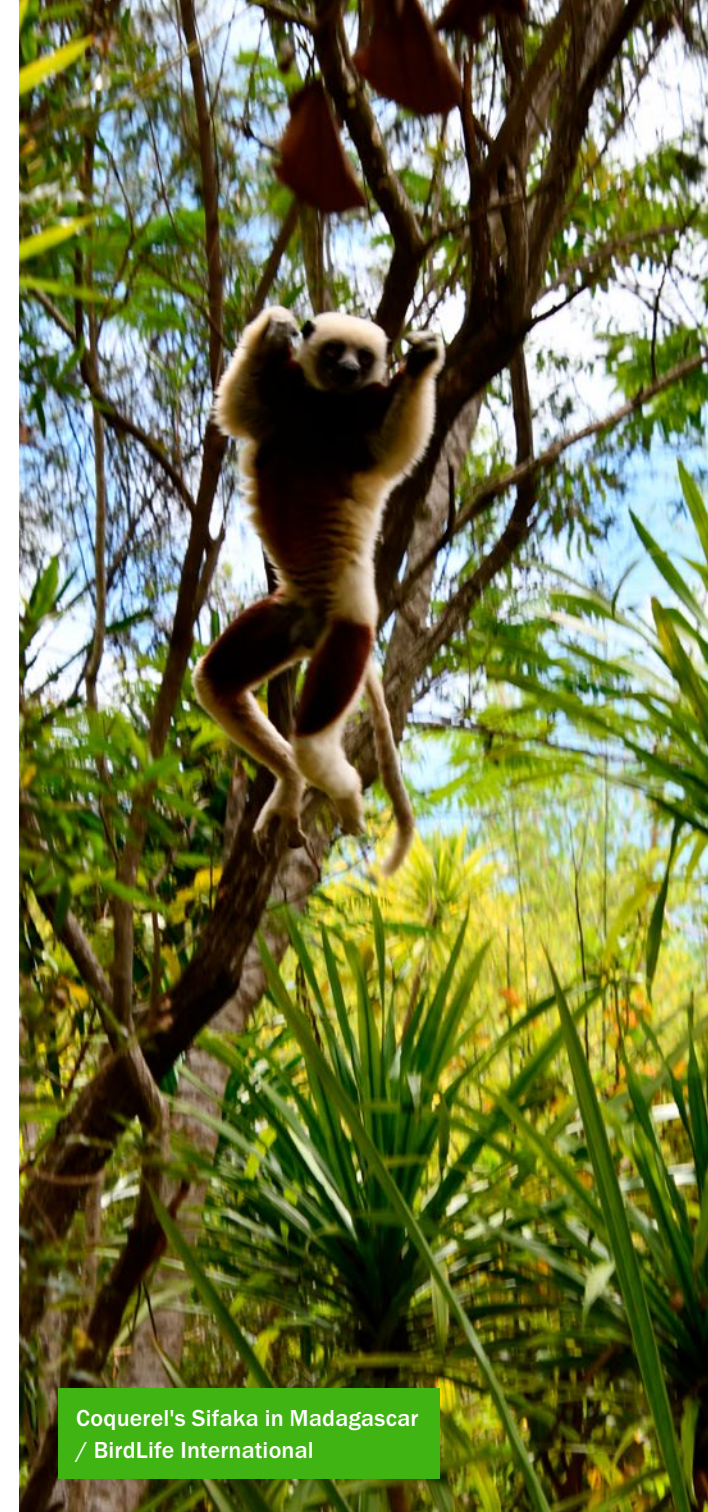
1. TAFF2 is a nature-based solutions strategy that will invest in certified sustainable plantation forestry on degraded lands and conservation areas across Southeast Asia.
2. The Reforestation Fund supports large-scale investments in sustainable plantation forestry in Latin America. The business model is to buy large areas of degraded land, then to restore and permanently protect a large proportion of the land as natural forest for biodiversity conservation.



Growing shade-grown crops in San Rafael Atlantic Forest, Paraguay / BirdLife International



Bringing together stakeholders in Madagascar



Coquerel's Sifaka in Madagascar / BirdLife International



Collective efforts



Project highlights



Catalysing collaboration in the Baobab Forests of Madagascar

In 2022 the Hempel Foundation played a catalytic role during the launch of a new project for landscape conservation in western Madagascar, providing the funding and support needed to bring many stakeholders together to create a shared vision and strategic plan for the landscape. At stakeholder meetings in late 2022, more than 35 different partners came together from the government, NGOs, corporations, communities and donors, culminating in the creation of a coalition for more effective conservation of the landscape. This coalition will form the core of the project as it progresses. Also, by directly engaging donors ourselves at the early stage of project development, we were able to leverage an additional DKK 25 million of additional funding that would not have been provided if it were not for our funding and support.

Bringing local NGOs together around shared learning and training

The Whitley Fund became a new partner of the Hempel Foundation in 2022. We supported the creation of a new model that brings local NGOs together around shared learning and training. Focusing on our priority global regions, in 2022 the Whitley Fund for Nature has created a training programme to bring local conservation groups together in-region for one week annually to share lessons learned, receive focused training to fill capacity gaps, and to create a platform for coordinated and shared effort. The training programme will initially focus on the Atlantic Forest, followed by Indonesia and East Africa.

Saksfjed Wilderness

Saksfjed Wilderness

As part of the Hempel Foundation's focus on biodiversity and nature conservation, we invested in a 775-hectare natural and agricultural area in southernmost Lolland, Denmark. The purpose of the investment is to increase the natural value by converting the area to wild nature.

'Saksfjed' is a coastal area with a very large natural potential, which until now has largely been agricultural land. The area is next to one of Fugleværnsfondens (Bird Protection Foundation's) largest nature reserves, namely the 217-hectare Saksfjed-Hyllekrog. Together, the area has the potential to become one of the most important natural areas in Denmark for biodiversity in the form of birds, insects and other species that move freely. The total area will be approx. 1,000 hectares, i.e. approx. 10 km², which roughly corresponds to 1,500 football pitches.



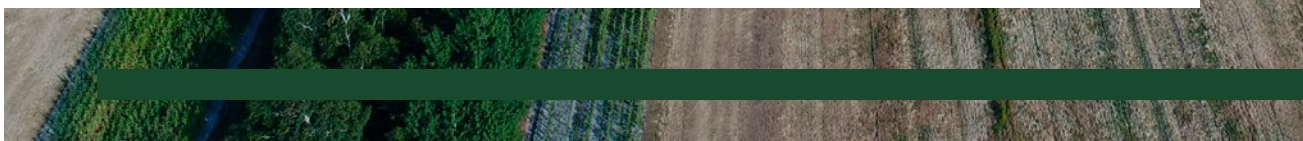
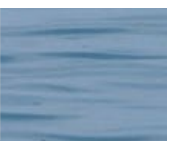
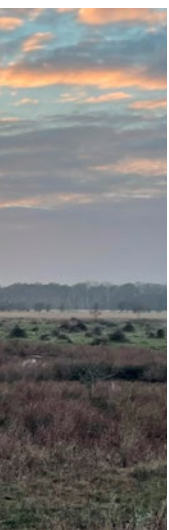


Vision for Saksfjed Wilderness

Saksfjed Wilderness is vast – at least in a Danish context – and reaches from horizon to horizon! The former agricultural area will now be rewilded into a wilderness of open grassland and heath with scattered vegetation, open woodlands, sand dunes and wetlands. Within a few years we will see the area teeming with wild birds, amphibians, butterflies and rare wild orchids. The biodiversity potential is huge.

We will facilitate national and international research and knowledge sharing on nature restoration, and we will support and develop collaboration with researchers and stakeholders, including other nature managers.

In **Saksfjed Wilderness** we will also develop and contribute directly to nature education and awareness raising for citizens, with focus on students and schools. Our investment in this large-scale nature restoration contributes directly to achievement of the international biodiversity targets of the EU and UN.

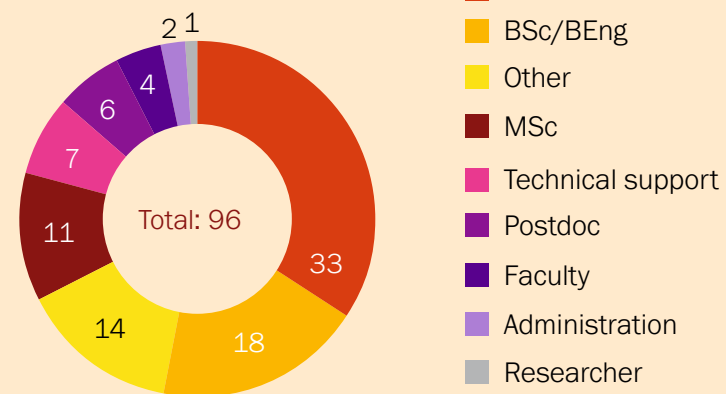


Science



Scientific staff at CoaST

CoaST staff and students



Within science, the Hempel Foundation is prioritising a **globally leading education, research and innovation centre** to make coatings and surface protection more efficient and more environmentally sustainable and to facilitate education and international cooperation.

CoaST 2022 in numbers

During 2022, a total of 96 people, the majority being Bachelor's and Master's students as well as PhD students, have been working in CoaST (figure 1). The students and employees represent 17 different nationalities, with an almost equal gender distribution.

CoaST research, performed in 2022, resulted into 66 projects distributed across seven research areas (figure 2). The projects were carried out at all levels, from the short special course, at Bachelor's level, to the longer-term PhD or postdoc project. The projects have led to 77 publications, 17 of which have been published in peer-reviewed journals (figure 3). In 2022, 18 students graduated from CoaST as either PhD, MSc, BSc or BEng (figure 4).

Fighting Corrosion with More Sustainable Coating Solutions – Anti-corrosive Coatings Research @CoaST

Metal corrosion is a severe problem for society, it degrades metal, which, in the extreme, will lose its function. Repairs are often costly and the environmental effects are considerable. The use of anti-corrosive coatings is crucial when it comes to corrosion protection of metal constructions in harsh environments, such as pipelines, tunnels, ship ballast tanks, containers, and foundations of wind turbines, etc.

The objective of research in anti-corrosive coatings is, through the characterisation of coating properties and coating performance evaluation, to get an improved understanding of the coating protection and coating failure

mechanisms, thereby advancing to more sustainable anti-corrosive coatings development.

Advisory Board

An Advisory Board keeps the Hempel Foundation up-to-date with progress in CoaST. The members of the CoaST Advisory Board are:

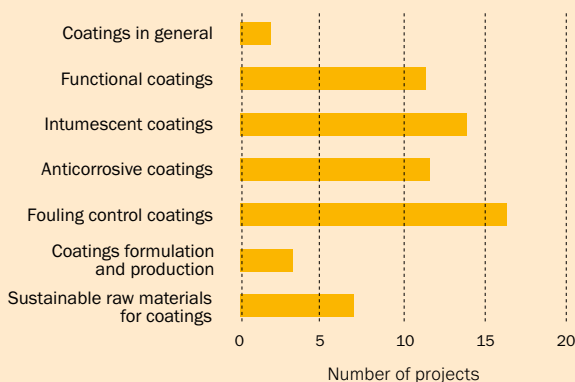
- Jakob Thomsen (Board Professional, Thomsen Safety Aps, Chairman as appointed by the Advisory Board on April 16th, 2021))
- Mikko Hupa (Professor, Åbo Akademi University)
- Klavs F. Jensen (Professor, MIT)
- Katarina Lindstrøm (COO of Hempel A/S)

In cooperation with CoaST, the Advisory Board sets clear qualitative and quantitative key

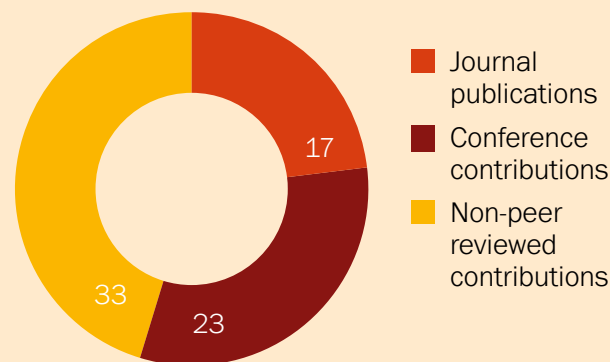
performance indicators (KPIs) for the centre. In 2022 the Advisory Board's evaluation of CoaST's performance in 2021 was made on the basis of CoaST's Annual Report 2021 as well as a number of project presentations by CoaST team members. The Advisory Board concluded:

'The Advisory Board evaluates the CoaST 2021 performance as very satisfactory. Despite the continued influence of COVID-19, CoaST continued its activity ramp up, including recruitment of seasoned researchers. Good delivery was made on the KPIs and the strong focus on sustainability related research has continued. The work on securing funding from other sources than the Hempel Foundation has continued and two promising projects have been started as a result'.

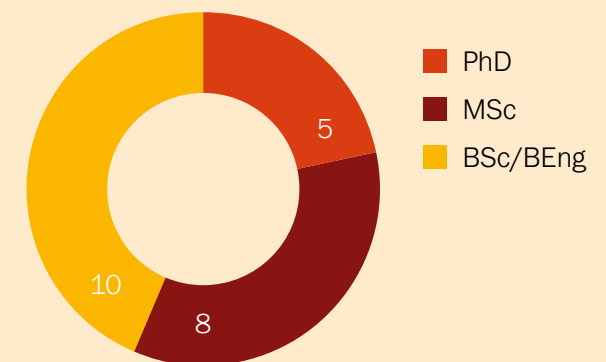
Distribution of projects per research area



Publications



Graduates



Global work 2022

Education

New **Tanzania**
2022 - 2025 TWaweza
Supporting teachers for improved learning outcomes

New **Tanzania**
2022 - 2023 Ubongo
Edutainment for catching up

New **Bangladesh**
2022 - 2024 BRAC
Quality education through accelerated learning

New **Uganda**
2022 - 2024 VVOB
'Teaching at the Right Level'

Rwanda
2021 - 2024 SOS Children's Villages
Remedial learning

Uganda
2020-2023 Save the Children
Enabling teachers

Uganda
2022 - 2024 Save the Children
Children's remedial clubs

Nepal
2020 - 2024 VSO International
Inclusive education

Guatemala
2019 - 2024 Oxfam IBIS
Access to quality education for indigenous girls

Bolivia
2019 - 2024 Oxfam IBIS
Access to quality education for indigenous girls

Zambia
2021 - 2024 UNICEF
Improve foundational literacy and numeracy

Madagascar
2020 - 2023 UNICEF
Empowering students and teachers in catch-up classes

Rwanda
2019 - 2022 UNICEF
Reducing dropout rate in primary school

South Africa
2019 - 2024 UNICEF
Improving teaching in primary school

Greenland
2018 - 2022 Consortium
Improving the quality of education in public schools

Bangladesh
2019 - 2023 Save the Children
Empowering girls through education

Peru
2016 - 2024 AXIS
Quality education for indigenous children

Biodiversity

New **Madagascar**
2022 - 2027 FAPBM
Sustaining biodiversity in Baobab Forest

New **Brazil**
2022 - 2024 SOS Mata Atlantica
Development of grant mechanism to support smaller NGOs working in landscapes of critical importance

New **Indonesia (Borneo)**
2022 - 2024 The Nature Conservancy
Biodiversity conservation

New **Rwanda**
2022 - 2024 African Parks
Biodiversity conservation

Cameroon
2021 - 2024 WCS
Sustainable development and effective park management

Pan Africa (AFCC)
2021 - 2025 The Nature Conservancy
Funding to accelerate forest conservation and reforestation at scale in Africa

Indonesia (Sumatra)
2021 - 2025 WCS
Protecting and restoring peatland forest in the Singkil Wildlife Reserve on Sumatra

Paraguay
2021 - 2025 BirdLife International
Safeguarding and recovering degraded Atlantic Forest in the San Rafael Reserve

DR Congo
2021 - 2025 WCS
Safeguarding biodiversity and catalysing sustainable economic growth in the Okapi Wildlife Reserve

Ecuador
2020 - 2023 WWF
Connecting people and national parks in the Llanganates-Sangay ecological corridor

Uganda
2019 - 2022 WWF
Sustaining biodiversity and enhancing park management in the Rwenzori Mountains National Park

Madagascar
2020 - 2025 BirdLife International
Sustainable livelihoods in the Tsitongambarika forest



'Søsat' water activities, West Zealand, Denmark

Donations by application

A group of children are on a lake, wearing blue and black life jackets. They are smiling and looking towards the camera. The water is bright blue, and there are green trees in the background. The text 'Donations by application' is overlaid on the image in a large, white, sans-serif font.



The Hempel Foundation grants donations based on applications from a range of civil society organisations fostering positive change. The Foundation supports projects of all sizes primarily in Denmark and Greenland with an emphasis on great ideas, feasibility, reach and potential impact.

All donations are philanthropic and intended for the common good, mainly within the following three focus areas:

Activities
at sea



Supporting and promoting
social inclusion for
vulnerable children
and young people



Initiatives
to support talent in
entrepreneurship



Occasionally, the Foundation grants donations to projects outside the existing focus areas that showcase exceptional potential.

In 2022, the Hempel Foundation granted approximately EUR 3.5 million to 173 organisations.

Two extraordinary donations granted in 2022

- **EUR 1 million for emergency relief in response to the war in Ukraine.** The donation was equally disbursed between the following seven organisations; UNICEF, Save the Children, Red Cross, Médecins Sans Frontières (MSF), SOS Børnebyerne, Human Rights Watch, and UNHCR.
- **EUR 184,899 granted to five organisations providing Christmas Aid** in response to the increased demand among the poorest and most vulnerable families in Denmark.

A comprehensive list of donations in 2022 can be found on pages 44-45.





” We try to embrace young people who may not have the opportunity to come out and experience sailing on the fjord - to experience nature. It is important to give children and young people a free space in everyday life away from iPads and phones

Roskilde Omegns Lystfiskerklub

Søsat - More than 100 activities at sea for children and young adults across Denmark

In 2022 we launched Søsat, an open call to increase opportunities for children and youth to get into the great outdoors and engage in activities on the water. Most of these activities are driven forward by enthusiastic volunteers hosting learning experiences such as a summer camp for teenage sailors, stand-up paddle boarding lessons for local school children or a fishing trip for vulnerable young people, who haven't been on a boat before.

The Foundation's ambition is to strengthen local organisations in recruiting members or successfully retaining members to ensure activities on the water are accessible to more children and young people in the future. We believe that early experiences of being on the water should be fun, safe and rooted in local communities.

In 2022 the Foundation received more than 129 applications and granted 105 donations up to EUR 4,000 each. The total donation was EUR 338,032.

Søsat has since its launch in 2022 been extended to include 2023 and 2024 with a goal to reach 10,000 young people and children.

List of donations in 2022

Organisation	Purpose	Donation (EUR)
Education		
Unicef Danmark	Improving literacy in Madagascar	2,016,254
Street Child	Improving literacy and numeracy in Nepal	1,881,837
VSO	Improving literacy and numeracy in Sierra Leone	1,344,169
Education Outcomes Fund	Supporting a coalition of partners in testing five approaches to improving literacy and numeracy in Sierra Leone	1,120,436
World Bank Sierra Leone	Support for conference in Sierra Leone to improve children's education in Africa	67,208
mEducation Alliance	Support collaboration and knowledge-sharing regarding EdTech in education	20,163
International Education Funders Group	Support collaboration between foundations working with education in low and middle income countries	16,130
Internal donation costs Education		227,997
Total		6,694,194
Biodiversity		
WWF Danmark	Sustaining biodiversity in Rwenzori Mountains National Park, Uganda	2,016,254
FAPBM - Madagascar Protected Areas and Biodiversity Fund	Sustaining biodiversity in Baobab Forest, Madagascar	2,016,254
Birdlife International	Sustaining biodiversity in the Atlantic Rainforest (Brazil, Paraguay and Argentina)	1,613,003
African Parks	Supporting African Parks in long-term strategic protection of biodiversity in Ethiopia and South Sudan	435,175
Whitley Fund for Nature	Award for Nature projects and capacity development of former award winners	403,251
SOS Mata Atlantica	Support for annual data publication on deforestation in the Atlantic Rainforest in Brazil	403,251

Organisation	Purpose	Donation (EUR)
Southern Tanzania Elephant Program (STEP)	Support for development of long-term strategy for sustaining biodiversity in Udzungwa, Tanzania	120,975
Internal donation costs Nature		305,614
Total		7,313,777
Science		
CoaST Coatings Science and Technology Centre, DTU		4,032,508
Total		4,032,508
Applications		
1. Helping and promoting social inclusion of vulnerable children and youth in Denmark and Greenland		
Blackburn & Darwen Youth Zone	Center for vulnerable children and youth	87,371
Foreningen Det Sociale Netværk	Center for vulnerable children and youth	80,650
JulemærkeFonden	Christmas seal homes for children with social challenges	67,208
Udvalget for Husmoderferie	Holiday camps for vulnerable children	53,767
Scleroseforeningen	Youth camps for vulnerable children	51,885
Red Cross Denmark	Christmas aid for vulnerable groups	40,325
Foreningen Spiseforstyrrelser og Selvskade	Counselling for young people with eating disorders and self-harm	40,325
Børnesagens Fællesråd	Financial assistance for vulnerable children	33,604
Børns Vilkår	Counselling for vulnerable children in Greenland	33,604
Løkkefonden	"DrengeAkademiet 2023"	33,604
Frelsens Hær	Financial assistance for vulnerable children	26,883
Kirkens Korshær	Aid to vulnerable groups	26,883
LGBT+ Denmark	Centers for LGBT+ youth	26,883
Blue Cross Denmark	"Stjernestunder 2022"	26,883

Organisation	Purpose	Donation (EUR)	Organisation	Purpose	Donation (EUR)	Organisation	Purpose	Donation (EUR)
BØRNECANCER-FONDEN	Financial assistance for cancer affected children	26,883	Everten Rebekka af Fanø	Paint donation	2,016	SOS Børnebyerne	Emergency relief in response to the war in Ukraine	142,885
Blue Cross	Christmas aid for vulnerable groups	26,883	Marstal Søfartsmuseum	Paint donation	1,479	Human Rights Watch	Emergency relief in response to the war in Ukraine	142,885
Frelsens Hær	Christmas aid for vulnerable groups	26,883	Ferskvandsmuseet	Paint donation	1,344	UNHCR	Emergency relief in response to the war in Ukraine	142,885
Mødrehjælpen	Christmas aid for vulnerable groups	26,883	Foreningen Caroline S	Paint donation	1,008	Børge Hinsch Fonden	Educational tours in nature for vulnerable children	110,894
Red Cross	Holiday camps for vulnerable children	20,163	Marstal Søfartsmuseum	Paint donation	874	Foreningen Spejderne	"Spejdernes lejr 2022"	73,929
Sundbyernes Filantropiske Forening Barnets Glæde	Christmas aid for vulnerable groups	10,081	Internal donation costs Søsæt		129,194	Fonden Golden Days	Collaboration between Hempel Glass Museum og Bloom	67,208
Handicappede Børns Ferier	Financial assistance for disabled children	6,721	Total		566,826	ART 2030	Communication of "Call to action"	67,208
Red Cross Youth Organization	"Jubellejren 2022"	4,033	3. Initiatives for talented individuals within entrepreneurship			Dansk Folkehjælp	Christmas aid to vulnerable groups	53,767
Total		778,405	Venture Cup	"Come Together Matchmaking", to encourage start-ups based on skills, education and diversity	120,975	MARTEC, Skoleskibet Danmark	Activities for students on "Skoleskibet Danmark"	33,604
2. Activities at sea in Denmark			Go Zebra	Online entrepreneurship camps for children	33,604	Baisikeli Frijob	Creating jobs for vulnerable groups	26,883
Søsæt	Open call targeting local water sports clubs and initiatives promoting activities on the water for children and youth around Denmark. (105 grants)	337,894	CBS Case Competition	CBS Case competition 2023	13,442	Fonden Morgencafé for Hjemløse	"Sundhedsrum" for vulnerable groups	16,802
Børnenes Lystfisker Akademi	Activities at sea for vulnerable families	33,335	Aarhus Symposium	Student conference	13,442	Foreningen Danske Døvblinde	Support for the deaf and blind	13,442
Waterz	Activities for young people on the water	20,163	Studenterlauget	Aarhus Case Competition	10,081	Life with Artificials	Strengthening childrens know-how with technology	13,442
Dansk Søredningssselskab	Equipment for new rescue station in Faaborg	13,442	CCC Foreningen	Business Battlefield 2022	6,721	High5Girls	Women in STEM	13,442
Dansk Forening for Rosport	"Baltic Cup 2022"	10,081	Polit Case Competition	Polit Case Competition 2022	4,342	Red Cross	Danmarks indsamlingen 2023	13,442
FISKERI- & SØFARTSMUSEET	Paint donation	4,033	Political Science Case Challenge	Political Science Case Challenge 2022	4,033	Ungdommens Naturvidenskabelige Forening	Distribution of knowledge about science and technology mainly among children and young people	10,081
Fonden Peder Skram	Paint donation	4,033	Total		206,640	Antidote Danmark	"Fixelancen"	6,721
FDK Københavns Søkrede	Paint donation	2,688	4. Other Initiatives			Kronprins Frederiks Fond af 17. september 1865	Work for the benefit of rescuers, fishermen and sailors as well as their families	3,360
Springeren Maritimt Oplevelsescenter	Paint donation	2,688	Det Kongelige Teater og Kapel	Support of operation	403,251	Total		2,129,296
Veteranskabsklubben S/S Bjørn	Paint donation	2,554	Fonden Settlementet på Vesterbro	Support and counselling for vulnerable groups	201,625	Total (applications)		3,681,167
			UNICEF	Emergency relief in response to the war in Ukraine	142,885	Undisbursed donations		-273,763
			Save the Children	Emergency relief in response to the war in Ukraine	142,885	Donations total for 2022:		21,447,883
			Red Cross	Emergency relief in response to the war in Ukraine	142,885			
			Médecins Sans Frontières (MSF)	Emergency relief in response to the war in Ukraine	142,885			



J.C. HEMPEL

GRUNDL. 1915



HEMPEL
FONDEN

Amaliegade 8, Copenhagen

Foundation governance

The Hempel Foundation's trust deed defines the overall principles for the Foundation's activities. In addition, the Hempel Foundation is governed by a set of Rules of Procedure for Board work and an Annual Wheel for planning work during the year.

Based on the Trust Deed, Rules of Procedure and the Annual Wheel, the Board of Trustees considers the Hempel Foundation to be in full compliance with the legislation and to comply with all recommendations from the committee for good governance in commercial foundations.

The Board and the secretariat keep a close watch on the continued effort to ensure a high degree of transparency in results and procedures covering all aspects of the Foundation's scope that are not sensitive to Hempel's business.

Regarding the recommendations from the committee for good governance in foundations, the Board of Trustees has made a full report, which is available at: hempelfonden.dk/da/hvem-vi-er/governance/ [not active yet]

Purpose of the Foundation and ownership structure of Hempel A/S

According to the Trust Deed, the Hempel Foundation's primary purpose is to provide and maintain a solid economic base for Hempel Group companies, and to ensure that the companies are able to operate on a sound business and financial basis. This is of greatest importance, since the Foundation is 100 per cent owner of the Hempel Group companies.

The second purpose of the Foundation is, in accordance with the Trust Deed and the policies and priorities adopted by the Foundation, to support charitable purposes. The Foundation has been able to increase this activity over the last three years from EUR 15.4 million in 2020 to EUR 21.4 million in 2022.

Board of Trustees

The Hempel Foundation is governed by a Board of Trustees comprising 5-7 members elected by the Foundation and 3-4 members elected from among employees of Hempel A/S.

The Foundation's Trust Deed states that the Board is a self-electing entity. Elections take place annually. Board members appointed by the Foundation are elected for a three-year term, and may be re-elected. The three-year term is stipulated in the Trust Deed, with a view to maintaining satisfactory continuity in the Board's activities. The Chair and Deputy Chair are elected from among the Board members, each for a three-year term.

Board members must be no more than 65 years of age when elected for the first time. The age limit for Board members elected by the Foundation is 75 years. The members appointed by employees are elected under Danish legislative provisions for employee representation on boards of directors and, accordingly, are elected for a term of four years.

Under the Trust Deed, the following requirements apply to Board members appointed by the Foundation:

- A majority cannot at the same time be Board members of Hempel A/S.
- A majority should preferably be current or former Hempel employees or somehow involved with the Hempel Group over many years.
- At least two of the members must have international business experience.

The Board of Trustees has additionally set a target for gender representation for members elected by the Foundation. The declared target is that a minimum of two of the Board members appointed by the Foundation must be female. This target was achieved in April 2018 and maintained in 2022.

The Board of Trustees has also decided that competencies within charitable donations, commercial business sustainability and financial investments should be present among members of the Board.

The Chair and the Deputy Chair of the Board monitor and assess the composition of the Board and its performance on an ongoing basis, in consultation with individual Board members and the Board as a whole. Once a year, the Board performs a formalised internal Board evaluation in accordance with the detailed recommendations from the committee for good governance in commercial foundations. This evaluation aims to ensure that the required commercial, investment and personal skills, as well as competencies regarding charitable donations, are available among the Board members appointed by the Foundation.

The Board continuously oversees and ensures that the Foundation's asset management corresponds to the Foundation's purpose and needs in the short and long terms.

Detailed information on Board of Trustee members can be found at: www.hempelfoundation.com/hempel-foundation/board-of-trustees

All new Board members appointed by the Foundation are selected through a structured process based on the above evaluation, as well as any specific needs for additional competencies on the Board. A professional executive search firm is used for external searches. To meet the specific requirement stipulated in the Trust Deed that certain Board members must

preferably have been involved with the Hempel Group, the Chair and Deputy Chair use a regularly updated list of potential candidates, which is presented to the Board members appointed by the Foundation for evaluation and selection.

Board committees

The Board has established two permanent committees: an Investment Committee and a Donations Committee. For preparation of specific purposes, the Board of Trustees can decide to establish ad hoc committees, which are dissolved when the specific tasks are completed.

Investment Committee

The Foundation has elected an Investment Committee made up of Board members to prepare the Board's higher level decisions regarding the Foundation's financial investments and to evaluate professional external portfolio managers used by the Foundation.

The Investment Committee usually has five to six meetings a year with each of the Foundation's ordinary four external portfolio managers, as well as meetings on strategic investment issues. The final decision on investments is made by all Board members.



Donations Committee

The Foundation has elected a Donations Committee, which examines and evaluates the many applications the Foundation receives, many of which are for significant and complex projects. The final decisions on donations are, in accordance with an agreement made within the Board, made by all Board members and not only by the Board members appointed by the Foundation (ref. Commercial Foundations Act § 64). The final decision on the total annual donations is also taken by all Board members.

The Donations Committee generally holds five to six meetings each year announced annually on the Foundation's website.

Spokespersons

The Chair of the Board is entitled to speak on behalf of the Foundation and the Board. The Executive Director of the Foundation is entitled to inform the media concerning facts related to his fields of responsibility; other statements to the media must only be given after approval by the Chair of the Board.

Meetings, committees and remuneration

The Board of Trustees generally holds five to six all-day meetings a year. Two of these meetings take place as soon as possible after the completion of the Foundation's half-yearly and annual financial statements. The Board of

Trustees has a continuing involvement in the Hempel Group's operations on an overall strategic level, with a view to maintaining the required degree of consultation and consensus between the two entities.

Members of the Board of Trustees are paid a fixed annual remuneration that must not be above what is deemed to be usual in relation to the workload, nature of the job and competencies involved. As is customary, a higher level of remuneration is received by the Chair (+200%) and Deputy Chair (+50%). Besides the Chair, members of the Investment Committee and the Donations Committee receive a fixed annual remuneration for committee work.

Remuneration is decided by the Board of Trustees on an annual basis, using a structured process that takes into account the number of working hours spent by the Trustees, the overall responsibilities of the Trustees and activities carried out by the Trustees, the purpose of the Foundation as well as the total activities of the Foundation, the leading role of the Trustees and the major responsibility of the Trustees in relation to the overall leadership of the Hempel Group, the Trustees' participation in all major and strategic decisions in the Hempel Group, and the income derived by the Trustees from other positions in the Group.

To further support the correct handling of decisions on remuneration issues, the Trustees additionally, and from a critical standpoint, make sure that the suggested remuneration is reasonable in relation to the overall interests of the Foundation, as well as comparable to the level of remuneration in other commercial foundations of some similarity. This work includes peer-group benchmarking, which is carried out by an independent external consultancy.

It is the firm commitment and aim of the Trustees at all times that the Foundation is not to accept costs or remuneration to Management, Board members, Trustees or other kinds of administrative costs that do not support and strengthen the purpose of the Foundation or its charitable donations.

The total remuneration paid to the Board in 2022, including remuneration for work on Board committees, was EUR 427,634. The base remuneration paid to each Board member in 2022 was EUR 33,604. The Hempel Foundation is fully transparent about remuneration and the amount each Board member receives. This information, as well as the salary for the Executive Director, is reflected in this report and can be found on the Hempel Foundation website in the "redegørelse for god fondsledelse" (report on foundation governance).

Conflicts of interest

The Foundation is committed to ensuring that all persons involved in its investment and donation processes possess the requisite skills. The Foundation is committed to avoiding any potential conflict of interest in order to ensure the integrity of decisions made regarding investment proposals and donation applications.

All decisions are made in accordance with common conflict of interest principles. In practice this means that no Board member or Foundation employee can take part in any decisions in which they may be deemed to have a material personal interest.

Social responsibility

An account of the Hempel Foundation's social responsibility work is available on the Foundation's website: <https://www.hempel-fonden.dk/en/who-we-are/governance> in accordance with the Danish Financial Statements Act § 99a. [The 2022 report has not been published yet.]



2022

Business- related activities

HEMPEL

Welcome to
Hempel Campus



The Hempel Foundation's most important and significant investment is the ownership of Hempel A/S and the Hempel Group worldwide.

Investment strategy

The Hempel Foundation's Board of Trustees has set down overall guidelines and policies for investing in different types of assets. The Investment Committee prepares decisions on the Foundation's investment activities; however, the Board as a whole makes the final decision regarding investments and investment activities.

Financial investments

- A conservative financial investment strategy with a limited risk appetite is adopted, focusing on absolute return and avoiding losses in the medium term. The majority of investments are in listed securities that can be redeemed within a few days.
- Financial investments in shares, bonds, etc., are managed by four external professional portfolio managers. Portfolio management is split in order to increase the risk-adjusted net return of the total portfolio.

To better manage risk, the Hempel Foundation has established ethical guidelines for the portfolio managers' handling of financial investments.

We require managers to have signed the UN PRI and have an ESG screening process that, as a minimum, ensures that we do not invest in companies that engage in corruption or systematic and gross violations of:

- The environment
- Labour conditions
- Human rights

These principles also apply to investments in private equity.

Property investments

The Hempel Foundation owns the property located at Amaliegade 8 in central Copenhagen, built in 1785-88. Amaliegade 8 was acquired by J.C. Hempel in 1933 and was the headquarters for the Hempel companies before relocating to Kgs. Lyngby, north of Copenhagen, in 1972. The Hempel Foundation remained in Amaliegade 8 and today it has offices and meeting rooms in the building.

The Hempel Foundation also owns the properties housing the Hempel Group's headquarters and main R&D departments in Kgs. Lyngby, Denmark. Major investments have been made in expanding the properties in Lyngby.

Hempel Invest A/S, a 100 per cent owned investment subsidiary of the Hempel Foundation, has also made the following significant property-related investments:

- Full ownership of two forests located in Denmark
- Shareholdings in a listed real estate property company

In 2022, Hempel Foundation also bought a 775 hectare property on Lolland, Denmark.

Direct investments, alternatives and impact investments

Direct investments are investments in shareholdings, private equity and alternative investments. The Hempel Foundation and its investment company Hempel Invest A/S have made a number of direct investments, including:

- Shareholdings in small and medium-sized companies
- Private equity investments and Fund-of-funds structures
- Direct venture investments in innovative enterprises
- Impactful investments

Net financial income

The net financial income from the Hempel Foundation's investment portfolio resulted in a negative return of EUR -25 million in

2022, compared to a positive return of EUR 23 million in 2021. The fully owned subsidiary Hempel Invest A/S had a negative net result of EUR -27 million compared to EUR 53 million in 2021. The underlying EBITDA in Hempel Invest A/S amounted to EUR 184 million in 2022 compared to EUR 142 million in 2021, however due to primarily amortization of goodwill and interest expenses from the acquisition of businesses in 2021 as well as a negative result from financial investments the net result decreased compared to 2021.

Financial report of the Hempel Foundation
The Hempel Foundation's total revenue for 2022 remains EUR 3,028 million compared to EUR 3,033 million in 2021.

The outcome of the Hempel Foundation's activities in 2022 is not considered satisfactory but acceptable in the light of high inflation, increased interest rates, increased amortizations due to business acquisitions and geopolitical uncertainties, all of which influenced business and investment activities.

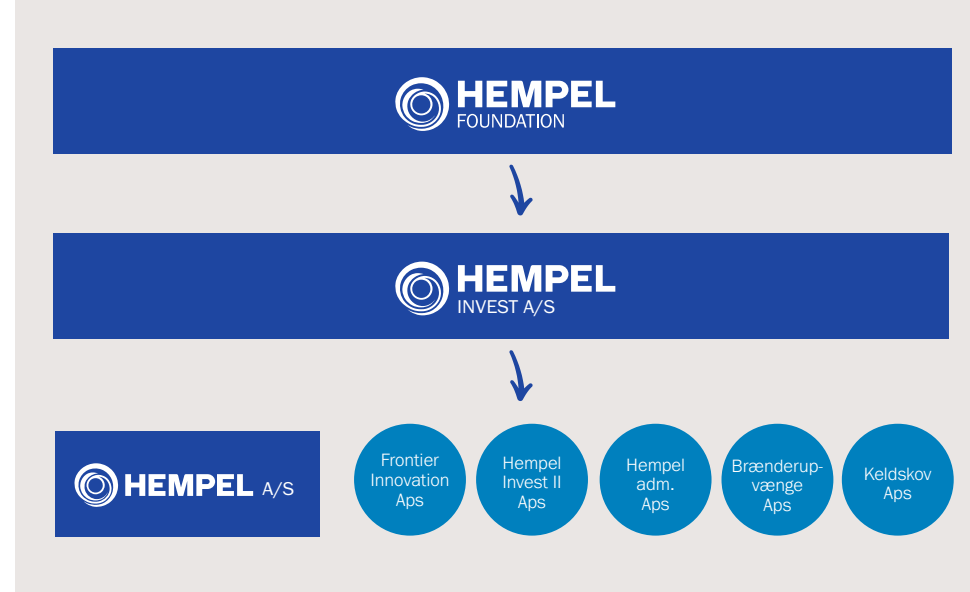
The net loss after tax for 2022 was EUR -46 million, compared to a net profit of EUR 78 million in 2021. The equity of the Hempel Foundation at end 2022 was EUR 763 million.

Subsequent events

No significant events have occurred subsequent to the balance sheet date that are considered to have a significant influence on the evaluation of the Annual Report for the Hempel Foundation.

Refer to Letter to Stakeholders of the Hempel Group and note 5.6.

Ownership structure





HEMPEL



Introduction

The Hempel Foundation's main purpose is to provide and maintain a solid economic base for the Hempel Group. Our long-term focus and stable ownership are reasons why Hempel A/S can maintain and expand its leading position in the global coatings market.

Hempel A/S Letter to stakeholders 2022

Delivering significant organic growth and accelerated progress towards sustainability leadership despite stiff headwinds in 2022.

2022 was a year with unusual instability and with a sequence of unpredictable events. In these challenging times, we showed that we are robust and stand together in Hempel to do our utmost for our customers, colleagues and the societies that we are a part of. We continued to deliver a positive impact in line with our strategic intent. We launched important new coating solutions, took necessary steps to further deliver on our *Double Impact* strategy and made significant progress on our sustainability journey. We welcomed Michael Hansen as our new CEO, and said goodbye to Lars Petersson who left Hempel to take up the position of CEO of VELUX Group.

Continuing our journey

Steeply climbing energy costs, high raw material prices combined with raw material shortages, and rising inflation affected all industries in 2022 – the coatings industry included. As a responsible company, it is essential that we react to these external changes. Therefore, we increased our selling prices, working proactively and transparently with customers to ensure full understanding on both sides. We also initiated further cost-savings and revenue management programmes, ensuring value-based price setting, to remain financially robust and have the power to invest in our growth journey in 2023 and beyond.

A continuously improving bottom line is fundamental for us to execute on our ambitious *Double Impact* strategy. Our purpose remains to create a brighter future with sustainable coating solutions. To do this, we must be ambitious on behalf of our customers, our employees and our owner, the Hempel Foundation. This is the focus of our *Double Impact* strategy. By effectively scaling Hempel, we enable our customers to build sustainable business models with higher efficiency, lower emissions and process circularity. At the same time, a prosperous Hempel means greater opportunities for our employees to grow and develop – and higher returns for our owner, the Hempel Foundation, to be able to donate more to its extremely important philanthropic work around the world. This is and will remain our focus.

Sustainable growth

Our growth path is ambitious and, since we launched our strategy in 2020, it has been very focused on sales growth. In a challenging 2022, we grew our revenue in line with our strategic focus, and we

delivered record high organic growth of 12.7 per cent. This growth is driven by increased sales prices and product mix, while at the same time ensuring that the growth is financially sustainable. In 2022, we emphasised this focus by reducing costs and optimising cash to compensate for rising raw material costs and lower sales volumes to safeguard a healthy financial result.

In line with our strategy, we want to scale our business and increase our EBITDA margin. This will allow us to invest even more in new sustainable solutions in the future and to grow without equally increasing our costs. To strengthen our ability to scale, we reorganised Hempel's operating model and our way of working together across the world, so we can be even more effective and better support our customers and employees on a global scale and across geographical boundaries. Digitalisation, operational excellence and process excellence are all key to this journey – and will come into even greater focus in 2023 and beyond.

Hempel is first and foremost a people business, and we will continue to put the safety and wellbeing of our customers and employees before anything else. By sharing best practices, standardising our processes and improving our skills, we are enhancing the global safety culture for all Hempel colleagues. It is our people who develop new technology, drive change and serve our customers. Unleashing our full potential requires a truly diverse workforce, taking in the full breadth of experiences and skills. In 2022, we continued our efforts within diversity, equity and inclusion, because we must attract the best people from different industries and backgrounds, challenge each other and give everyone the opportunity to have a positive impact.

Part of COP27

Hempel was invited to participate in COP27 in Egypt in 2022. This was our first time at the United Nations Conference of Parties, and it gave us the opportunity to influence discussions about how we can accelerate the move towards a decarbonised future. It was an opportunity to learn, meet like-minded companies and expand our network.

At Hempel, we strive to put sustainability at the heart of everything we do. Like all companies, we have a responsibility to lower emissions from our operations and reduce the amount of resources we use. We have a very clear plan and ambitious goals in this area, which were confirmed and approved by the Science Based Targets initiative in 2022.

In addition, we received a B rating from CDP in its annual environmental disclosure and scoring process. This is regarded as the gold standard of corporate environmental transparency, and we are naturally very pleased to receive this rating in the first year of our participation. Having our efforts validated externally is integral to making further progress towards becoming the sustainability leader within our core business areas in the industry. We will continue to invest in actions towards achieving our ambitious sustainability goals. The climate is an urgent global challenge – one that no one can address alone. There are technologies available to us already. Now is the time for the world to work together to implement these solutions, and as businesses we are obliged to lead the way.

Reaching milestones

Despite the challenging year, we reached some very significant commercial milestones in 2022. Our Marine business delivered record

performance, we expanded our own store network and range for Decorative customers, launched a ground-breaking new solution for wind turbine blades, and opened our large new factory in Yantai, which marks 30 years with a Hempel factory in China. You can read more about these achievements, and many others, in this report.

2023 outlook

In 2023, we expect to see mid to high single-digit organic revenue growth and increasing adjusted EBITDA margin, leading to an adjusted EBITDA of EUR 260-290 million.

Thank you

As well as a tough market landscape, 2022 was challenging in other ways. We had to make some difficult decisions and say goodbye to good

colleagues in reaction to steeply rising costs. The war in Ukraine also occupied our hearts and minds, and presented a dilemma: How to cease operations in Russia while protecting and looking after our employees there. On 1 March 2022, we stopped all operations in Russia and on 6 April 2022, we announced the permanent closure of our operations in Russia.

Despite rough seas, we navigated 2022 and delivered on our top-line growth ambition. This was only possible thanks to the dedication of our colleagues around the world. On behalf of the Executive Group Management and the Hempel Board, we would like to thank our colleagues for their commitment, engagement, hard work and continued innovative efforts during the year. We would also like to thank you – our customers and other stakeholders – for your ongoing support.



Richard Sand
Chair of the
Board of Directors of Hempel A/S

Michael Hansen
Group President & Chief Executive
Officer of Hempel A/S

Independent auditor's report

To the Board of Trustees of the Hempel Foundation

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Hempel Foundation at 31 December 2022, and of the results of the Foundation's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Hempel Foundation for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially consistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial

Statements Act, and for such internal control as Management determines, it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional

judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 April 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Anders Stig Lauritsen
State Authorised Public Accountant
mne32800

Nikolaj Erik Johnsen
State Authorised Public Accountant
mne35806

Financial statements

A photograph of two hikers walking across a wooden bridge in a lush, green forest. The bridge is made of weathered wood with a metal grate floor and a simple railing. The hiker in the foreground is wearing a dark jacket and a cap, while the hiker in the background is wearing a green shirt and a backpack. The forest is dense with various types of trees and undergrowth, creating a vibrant green backdrop.

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Key figures

In EUR thousands (unless otherwise stated)

	2022	2021	2020	2019	2018
Income statements					
Revenue	3,028	3,033	1,981	1,680	1,688
EBITDA	949	1,407	111	52	-34
Depreciation and impairment	1,630	1,590	896	5,770	935
Operating profit	-681	-183	-785	-5,718	-969
Income from investments in subsidiaries	-21,257	54,662	44,812	59,938	49,987
Net financials	-23,684	23,436	5,246	14,997	-7,345
Profit before tax	-45,622	77,915	49,273	69,217	41,673
Net profit for the year	-45,622	77,915	49,273	69,217	41,669
Financial positions					
Balance sheet total	848,365	944,534	854,526	854,792	794,377
Equity	763,285	866,845	778,436	777,994	727,293
Investment in tangible assets	16,043	446	6,341	17,978	2,399
Cash flows					
Operating activities	345	3,111	-907	-171	459
Investing activities	4,046	4,610	17,393	-59,366	41,470
Financing activities	-11,098	-7,773	-9,968	-9,052	15,945
Change in cash and cash equivalents	-6,707	-52	6,518	-68,589	57,874

	2022	2021	2020	2019	2018
Employees					
Average number of employees	12	9	8	8	7
Donations					
Donations for the year	21,448	19,647	15,408	21,061	20,384
Ratios (%)					
Solvency ratio	90	91,8	91,1	91,0	91,6
Return on equity	-5,6	9,5	6,3	9,2	5,8

For definitions see note 5.8.

Income statement

In EUR thousands

Note		2022	2021
2.1	Revenue	3,028	3,033
	Other external expenses	-927	-618
	Gross profit	2,101	2,415
2.2	Employee costs	-1,152	-1,008
3.1	Depreciation and impairment	-1,630	-1,590
	Operating profit	-681	-183
2.3	Income from investments in subsidiaries	-21,257	54,662
	Profit before financial income and expenses	-21,938	54,479
4.3	Financial income	11,635	27,464
	Financial expense	-35,319	-4,028
	Profit before tax	-45,622	77,915
2.4	Income tax	—	—
	Net profit for the year	-45,622	77,915

Distribution of profit	2022	2021
<i>Proposed distribution of profit:</i>		
Donations for the year	21,448	19,647
Reserve for net revaluation under the equity method	-21,257	54,662
Retained earnings	-45,813	3,606
	-45,622	77,915

Balance sheet

as at 31 December

In EUR thousands

Note		2022	2021
	Land and buildings	40,508	41,474
	Other fixed assets	684	1,027
	Prepayment of fixed assets	15,688	–
3.1	Property, plant and equipment	56,880	42,501
5.4	Investments in subsidiaries	548,386	672,806
3.2	Other securities and investments	188,346	210,587
	Other non-current assets	736,732	883,393
	Total non-current assets	793,612	925,894
	Receivables from Group enterprises	50,290	8,384
	Other receivables	1,592	723
3.4	Receivables	51,882	9,107
	Cash at bank and in hand	2,871	9,533
	Current assets	54,753	18,640
	Total assets	848,365	944,534

Note		2022	2021
4.1	Base capital	4,691	4,691
	Reserve for net revaluation under the equity method	543,942	668,362
	Retained earnings	184,396	163,535
	Reservation for grants	30,256	30,257
	Total equity	763,285	866,845
	Pension obligations and similar obligations	239	239
	Provisions	239	239
4.6	Loans	15,843	16,958
	Long-term debt	15,843	16,958
	Short-term part of loans	942	755
	Payables to Group enterprises	–	–
3.5	Other liabilities	68,056	59,737
	Total current liabilities	68,998	60,492
	Total liabilities	85,080	77,689
	Total equity and liabilities	848,365	944,534

Statement of changes in equity as at 31 December

In EUR thousands

Note		Base capital	Reserve for net revaluation under the equity method	Retained earnings	Reservation for grants	Total
	Equity					
	Equity at 1 January 2021	4,691	583,678	159,829	30,238	778,436
	Net profit for the year	–	54,662	3,606	19,647	77,915
	Dividend received	–	–	–	–	–
	Exchange adjustments at year-end rate	–	31,153	100	19	31,272
	Remeasurements of defined benefit plans	–	2,685	–	–	2,685
	Tax on equity	–	-3,816	–	–	-3,816
	Grants for the year	–	–	–	-19,647	-19,647
4.1	Equity at 31 December 2021	4,691	668,362	163,535	30,257	866,845
	Net profit for the year	–	-21,257	-45,813	21,448	-45,622
	Dividend received	–	-66,698	66,698	–	0
	Exchange adjustments at year-end rate	–	-36,465	-24	-1	-36,490
	Remeasurements of defined benefit plans	–	–	–	–	0
	Tax on equity	–	–	–	–	0
	Grants for the year	–	–	–	-21,448	-21,448
4.1	Equity at 31 December 2022	4,691	543,942	184,396	30,256	763,285

Cash flow statement

In EUR thousands

Note	2022	2021	
Cash flows from operating activities			
	Operating profit	-681	-183
5.2	Adjustment for non-cash operating items	1,630	1,591
4.5	Changes in working capital	-604	1,703
2.4	Income tax paid/received	–	–
	Total cash flows from operating activities	345	3,111
Cash flows from investing activities			
5.4	Dividends received from subsidiaries	66,698	–
4.3	Other dividends received	4,146	2,197
3.1	Purchase of property, plant, and equipment	-16,043	-446
3.2	Purchase of fixed asset investments	-105,602	-83,387
3.1	Sale of properties, plant and equipment	60	–
3.2	Sale of fixed asset investments	96,658	64,432
	Change in receivables designated as investing activities	-41,871	21,814
	Total cash flows from investing activities	4,046	4,610

Note	2022	2021	
Cash flows from financing activities			
	Change in loans	-928	-913
	Interest income and expenses, net	3,204	10,501
	Paid grants	-13,374	-17,361
	Total cash flows from financing activities	-11,098	-7,773
	Change in cash and cash equivalents	-6,707	-52
4.4	Cash and equivalents, net, beginning of year	9,534	9,719
	Exchange adjustment	44	-133
4.4	Cash and equivalents, net, end of year	2,871	9,534

Section 1

Basis of preparation

1.1 General accounting policies

General

This section gives a summary of the significant accounting policies. Further accounting policies are presented in the specific notes.

The Annual Report of the Hempel Foundation for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) applying to large enterprises of reporting class C. The Annual Report for 2022 is presented in EUR thousands.

The accounting policies applied remain unchanged from previous years.

Consolidated financial statements

With reference to section 111 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised.

Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Hempel Foundation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Hempel Foundation, and the value of the liability can be measured reliably. Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report that confirm or invalidate affairs and conditions existing at the balance sheet date. Euro is used as the

presentation currency. All other currencies are regarded as foreign currencies.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Hempel Foundation entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

Translation of transactions and balances

Transactions in foreign currencies are translated at the exchange rates on the transaction dates. Gains and losses arising from differences between the transaction date rates and the rates on the payment dates are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date

rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Translation of Group companies

For foreign subsidiaries with a functional currency other than the euro, the income statements are translated into euro at the exchange rates prevailing at the end of the reporting period for balance sheet items and at average monthly exchange rates for income statement items in so far these do not deviate materially from the actual exchange rates at the transaction date.

All exchange differences are recognised in the income statement for the year, except for exchange rate adjustment of investments in subsidiaries arising from:

- foreign exchange adjustments arising from the translation of the opening balance of equity of foreign subsidiaries at the exchange rates on the balance sheet date
- the translation of foreign subsidiaries' income statements from monthly average exchange rates to exchange rates at the end of the reporting period

These specific exchange rate adjustments are recognised directly in equity. If the foreign entity is a non-wholly owned subsidiary, the relevant proportion of the translation difference is allocated to the minority interest.

Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the Hempel Foundation's core activities, including gains or losses on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the Hempel Foundation's core activities, including expenses relating to administration, premises, etc.

Cash flow statement

The cash flow statement of Hempel Foundation shows the cash flows for the year broken down into operating, investing, and financing activities, changes for the year in cash and cash equivalents, as well as cash and cash equivalents for the Hempel Foundation at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets, less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plants and equipment, as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt.

Cash and cash equivalents

The cash flow statement cannot be immediately derived from the published financial records.

For further accounting policies, please refer to the notes.

Section 2

Results for the year

2.1 Revenue

Accounting policies

Revenue from rent income is recognised in the income statement in the periods the rent concerns.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

2.2 Employee costs

Accounting policies

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognised in the year in which the associated services are

rendered by employees of the Hempel Foundation. Where the Hempel Foundation provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees concerned.

In EUR thousands

	2022	2021
Board of Trustees and Executive Director	677	683
Wages and salaries	348	213
Pension contributions	127	112
	1,152	1,008
<i>Employees:</i>		
Average number of employees	12	9

Remuneration for Board of Trustees and Management 2022 in EUR

	Hempel Foundation			Hempel Invest		Hempel A/S		Total
	Remuneration	Committees	Car	Remuneration	Committees	Remuneration	Committees	
Richard Sand	100,813		23,714	33,604	5,377	191,544	94,092	449,144
Leif Jensen	50,406	8,737		26,883	10,753	63,848	68,553	229,180
Kim Dam-Johansen	33,604	2,688		20,163	5,377			61,832
Birgitte Hagemann Snabe	33,604	3,360		20,163				57,127
Lars Aaen	33,604	2,688		20,163	5,377			61,832
Britt Meelby Jensen	33,604			20,163				53,767
Claus Juul Petersen	33,604			20,163				53,767
Henrik Bach Falkenberg	33,604			20,163				53,767
Morten Schaarup	28,003			16,802				44,805
Andreas Glud (2 mdr)	5,601			3,360				8,961
	386,447	17,473	23,714	201,627	26,884	255,392	162,645	1,074,182
Anders Holm	249,697							

2.3 Income from investments in subsidiaries

Accounting policies

The items 'Income from investments in subsidiaries' in the income statement include the proportionate share of the profit for the year less depreciation of intercompany profits.

In EUR thousands

	2022	2021
Profit before tax	-8,087	81,618
Tax for the year	-13,170	-26,956
Profit after tax	-21,257	54,662

2.4 Income tax

Income tax

Accounting policies

Income tax for the year consists of current tax for the year and deferred tax for the year. The tax

attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

In EUR thousands

	2022	2021
Total tax	—	—
Current tax for the year	—	—
Deferred tax for the year	—	—
Adjustment in respect of previous years	—	—

Deferred tax assets and liabilities

Accounting policies

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which the asset is expected to be realised, either by eliminating the tax on future earnings or by setting off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Accounting policies

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Section 3

Operating assets and liabilities

3.1 Property, plant and equipment

Property, plants, and equipment are measured at a cost less than accumulated depreciation and less than any accumulated impairment losses.

Costs comprise the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, costs comprise direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in costs over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on costs reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings (max.).....30-50 years
Other fixtures and fittings,
tools and equipment 3-10 years
Land is not depreciated

Leasehold improvements are included in other operating equipment and are recognised at cost and depreciated over the term of the lease; however, not exceeding 10 years.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

In EUR thousands

	Land and buildings	Other fixed assets	Prepayment of fixed assets	Total
Costs, beginning of year	51,302	4,682	-	55,984
Exchange adjustment at year-end rate	-	-	-	-
Additions for the year	308	47	15,688	16,043
Disposal for the year	-	-133	-	-133
Costs, end of year	51,610	4,596	15,688	71,894
Accumulated depreciation, beginning of year	9,827	3,655	-	13,482
Exchange adjustment at year-end rate	1	-1	-	-
Depreciation for the year	1,274	356	-	1,630
Reversal of depreciation of assets sold	-	-98	-	-98
Accumulated depreciation, end of year	11,102	3,912	-	15,014
Carrying amount, end of year	40,508	684	15,688	56,880

3.2 Other securities and investments

Accounting policies

Other securities and capital investments, recognised under fixed assets, consist of listed and non-listed bonds and shares measured at fair value on the balance sheet date. The fair value of listed shares and bonds is calculated on the latest listed closing quote. The fair value

of investments in other securities and investments that are not traded often is measured with reference to the latest publicly announced equity. Realised and unrealised capital gains and capital losses are included in net financials in the income statement.

In EUR thousands

	2022	2021
Costs, beginning of year	197,575	178,511
Additions for the year	105,602	83,387
Disposals for the year	-96,658	-64,432
Exchange rate at year-end rate	-3	109
Costs, end of year	206,516	197,575
Net revaluations, beginning of year	13,013	2,143
Net revaluations for the year	-31,181	10,868
Exchange rate at year-end rate	-2	1
Net revaluations, end of year	-18,170	13,012
Carrying amount, end of year	188,346	210,587

In EUR thousands

Investment category	Fair value hierarchy level	Fair value as of 31 December 2022	Net revaluation recognised through profit and loss
Bonds (Listed)	1	102,960	8,753
Shares (Listed)	1	80,209	22,581
Other investments (Listed)	1	4,436	-
Other investments (Non-Listed)	3	741	-241
		188,346	31,093

The investments are classified in accordance with the fair value hierarchy:

Level 1 - Fair Value can be measured using quoted market prices in an active market for identical assets and liabilities.

Level 2 - Fair Value can be measured using observable inputs other than quoted market prices.

Level 3 - Fair Value is measured using unobservable inputs.

3.3 Prepayments

Accounting policies

Prepayments comprise prepaid expenses relating to rent, insurance premiums and interest.

3.4 Receivables

Accounting policies

Receivables are measured in the balance sheet below amortised cost and net realisable value, which corresponds to a nominal value less than the provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable and, in respect of trade receivables, a general provision

is also made based on the Hempel Foundation's experience from previous years.

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to the nominal value. Provisions for estimated bad debts are made.

3.5 Other liabilities

Accounting policies

Other liabilities are measured at amortised cost, substantially corresponding to the nominal value. Other liabilities comprise donations not yet paid, employee costs payable, VAT and duties payable, accruals, other payables and fair values of derivative financial instruments.

In EUR thousands

	2022	2021
Receivables	51,882	9,107
of which due more than one year from the balance sheet date	–	–
	51,882	9,107

Section 4

Capital structure and financing items

4.1 Base capital

The base capital of the Foundation amounts to DKK 35 million.

4.2 Financial risks

The Foundation has adopted a conservative investment strategy and hence is not exposed to financial risks other than what is considered normal market risk.

4.3 Net financials

Accounting policies

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

In EUR thousands

Financial income	2022	2021
Interest from subsidiaries	875	1,073
External interest income	892	817
Dividend	4,146	2,197
Realised and unrealised exchange gains	5,722	23,377
	11,635	27,464

In EUR thousands

Financial Expense	2022	2021
External interest expense	344	295
Realised and unrealised exchange losses	34,975	3,733
	35,319	4,028

4.4 Cash and cash equivalents, net

Accounting policies

Cash and cash equivalents consist of cash at the bank and in hand.

4.5 Changes in working capital

Accounting policies

Working capital is defined as current operating assets less current operating liabilities.

In EUR thousands

	2022	2021
Change in operating receivables	-839	1,535
Change in trade payables	235	168
	-604	1,703

4.6 Bank loans, etc.

Accounting policies

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at fair value net of incurred transaction costs and subsequently at amortised cost using the effective interest method. The difference between the proceeds initially received and the nominal value is recognised as a financial expense in the income statement over the loan term.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the terms of the loan at the date of raising the loan.

In EUR thousands

	2022	2021
<i>Long-term bank borrowings etc. including short-term part:</i>		
Due within 1 year	942	755
Due within 1 to 5 years	4,760	3,846
Due after 5 years	11,083	13,112
	16,785	17,713

Section 5

Other disclosures

5.1 Fees to the auditors appointed at the General Meeting

In EUR thousands

	2022	2021
Audit fee	16	17
Other fees	13	40
	29	57

5.2 Adjustments for non-cash operating items

For the purpose of presenting the statement of cash flows, non-cash items with effect on the income statement must be reversed to identify the actual cash flow effect from the income statement. The adjustments are specified as follows:

In EUR thousands

	2022	2021
Depreciation and impairment	1,630	1,590
Exchange rate adjustment	0	1
	1,630	1,591

5.3 Related parties and ownership

Related parties and ownership	Basis
<i>Controlling influence:</i>	
Hempel Invest A/S, Amaliegade 8, 1256 Copenhagen K, Denmark Subsidiaries owned by Hempel Invest A/S as specified in note 5.7	Related party
Members of the Executive Board and Board of Directors of Hempel A/S and Hempel Invest A/S as well as the Board of Trustees of the Hempel Foundation are also regarded as related parties. For remuneration to the Board of Trustees, please refer to note 2.2 Employee costs.	
<i>Other related parties:</i>	
Hempel's Employee Foundation, Amaliegade 8, 1256 Copenhagen K, Denmark	Related party
Hempel's Cultural Foundation, Amaliegade 8, 1256 Copenhagen K, Denmark	Related party
Hempel's Employee Foundation of 2017, Lundtoftegårdsvej 91, 2800 Kgs. Lyngby, Denmark	Related party
<i>Transactions:</i>	
All related-party transactions were carried out at arm's length	

The Hempel Foundation had the following transactions with related parties, (income)/expense:

In EUR thousands

	2022	2021
<i>Hempel Invest A/S</i>		
Administrative services provided by the Hempel Foundation	-155	-136
Interests	-875	-1,073
<i>Brænderupvænge ApS</i>		
Administrative services provided by the Hempel Foundation	-5	-3
<i>Keldskov ApS</i>		
Administrative services provided by the Hempel Foundation	-5	-3
<i>Frontier Innovation ApS</i>		
Administrative services provided by the Hempel Foundation	-5	-5
<i>Hempel Invest II</i>		
Administrative services provided by the Hempel Foundation	-5	0
<i>Hempel Administration ApS</i>		
Administrative services provided by the Hempel Foundation	-34	0
<i>Hempel A/S</i>		
Administrative services provided by the Hempel Foundation	-35	-20
Administrative services provided by Hempel A/S	214	15
Rent payments	-2,731	-2,660

5.4 Investments in subsidiaries

Accounting policies

Investments in subsidiaries are recognised and measured under the equity method. This implies that the investments are measured in the balance sheet at the proportionate ownership share of the net asset value of the enterprises with deduction or addition of shares of unrealised intercompany profits and losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to 'Reserve for net revaluation under the equity method' under equity. The reserve is reduced by dividends distributed to the parent company and adjusted for other equity movements in subsidiaries.

In EUR thousands

	2022	2021
Costs, beginning of year	4.444	4,441
Exchange adjustment at year-end rate		3
Costs, end of year	4,444	4,444
Net revaluations, beginning of year	668,362	583,678
Exchange adjustment at year-end rate	-37,206	31,153
Remeasurements of defined benefit plans	509	2,685
Tax on equity	232	-3,816
Profit before tax	-8,087	81,618
Tax for the year	-13,170	-26,956
Dividend received	-66,698	—
Net revaluations, end of year	543,942	668,362
Carrying amount, end of year	548,386	672,806

5.5 Contingent liabilities and other financial obligations

Other contingent liabilities

The Hempel Foundation has pledged investments in bonds and shares of EUR 3,5 million and cash of EUR 1 million as security for credit facilities with banks. Further, as security for loans of EUR 16,8 million from credit institutions, the Hempel Foundation has pledged security in land and buildings with a booked value of EUR 40,4 million.

The Hempel Foundation has committed a total of EUR 1,3 million investment in other securities.

As of December 31, 2022 the remaining commitment is EUR 0,9 million.

5.6 Events after the reporting period

No events have occurred after the balance sheet date that could significantly affect the financial position of the Hempel Foundation.

5.7 Group overview

Location	Name	Currency	Ownership
Denmark	Hempel A/S	DKK	100%
Argentina	Hempel Argentina S.R.L.	ARS	100%
Australia	Hempel (Australia) Pty. Ltd.	AUD	100%
Australia	Hempel NewCo (Australia) Pty. Ltd.	AUD	100%
Australia	Hempel (Wattyl) Australia Pty. Ltd.	AUD	100%
Australia	Hempel (Wattyl) New Zealand Ltd.	AUD	100%
Austria	Ostendorf GmbH	EUR	65%
Bahrain	Dahna Paint Middle East Holding B.S.C.	BHD	51%
Bahrain	Hempel Paints (Bahrain) S.P.C.	BHD	51%
Brazil	Hempel Tintas do Brasil Ltda	BRL	100%
Canada	Farrow & Ball Canada Limited	CAD	100%
Canada	Hempel (Canada) Inc.	CAD	100%
Chile	Pinturas Hempel Chile SpA	CLP	100%
China	Hempel North Asia Holding Co., Ltd	CNY	100%
China	Hempel (Hong Kong) Limited	HKD	100%
China	Hempel (China) Limited	HKD	100%
China	Hempel (Kunshan) Coatings Ltd.	CNY	100%
China	Hempel (Yantai) Coatings Ltd.	CNY	100%
China	Hempel (Guangzhou) Coatings Ltd.	CNY	100%
China	Hempel (Zhangjiagang) Coatings Ltd.	CNY	100%
Croatia	Hempel Coatings (Croatia) Ltd.	HRK	100%
Cyprus	Hempel Coatings (Cyprus) Limited	EUR	100%
Czech Republic	Hempel (Czech Republic) s.r.o.	CZK	100%
Denmark	Brifa Maling A/S	DKK	65%
Denmark	Brænderupvænge ApS	DKK	100%
Denmark	Frontier Innovation ApS	DKK	100%
Denmark	Hempel Administration ApS	DKK	100%
Denmark	Hempel Decorative Paints A/S	DKK	100%
Denmark	Hempel Invest A/S	DKK	100%

Location	Name	Currency	Ownership
Denmark	Hempel Invest II ApS	DKK	100%
Denmark	HF (Denmark) A/S	DKK	100%
Denmark	HSA (Danmark) A/S	DKK	100%
Denmark	Keldskov ApS	DKK	100%
Ecuador	Hempel Ecuador S.A.	USD	100%
Egypt	Hempel Coatings (Egypt) LLC	EGP	100%
Egypt	Hempel Egypt L.L.C.	EGP	100%
Egypt	Hempel Paints Egypt LLC	EGP	99%
Finland	OY Hempel (Finland) AB	EUR	100%
France	Hempel (France) SAS	EUR	100%
France	BB Participations SAS	EUR	65%
France	B.B Fabrications SAS	EUR	65%
France	Bontemps-Bonnarme SAS	EUR	65%
France	Capcouleurs SAS	EUR	65%
France	Cap Couleurs Brignoles SAS	EUR	65%
France	Cap Couleurs Distribution SAS	EUR	65%
France	Cap Couleurs Est SAS	EUR	65%
France	Cap Couleurs Gestion SAS	EUR	65%
Germany	Farrow & Ball DE GmbH	EUR	100%
Germany	Hempel (Germany) GmbH	EUR	100%
Germany	Hempel Beteiligungsgesellschaft GmbH	EUR	100%
Germany	J.W. Ostendorf GmbH & Co. KG*	EUR	65%
Germany	Ostendorf-Beteiligungs-GmbH	EUR	65%
Germany	FLT Handel & Service GmbH	EUR	65%
Germany	Brand.IQ GmbH	EUR	65%
Germany	Rottkamp Immobilien GmbH & Co. KG*	EUR	65%
Germany	Rottkamp Immobilien Verwaltung GmbH	EUR	65%
Greece	Hempel Coatings (Hellas) Single Member S.A.	EUR	100%
India	Hempel Paints (India) Private Limited	INR	100%

Location	Name	Currency	Ownership
Indonesia	P.T. Hempel Indonesia	IDR	100%
Ireland	Crown Paints Ireland Limited	EUR	100%
Italy	Hempel (Italy) S.r.l.	EUR	100%
Kenya	Hempel Paints Kenya Company Limited	KES	100%
Korea	Hempel Korea Co. Ltd.	KRW	100%
Kuwait	Hempel Paints (Kuwait) K.S.C.C.	KWD	51%
Malaysia	Hempel (Malaysia) Sdn. Bhd	MYR	100%
Malaysia	Hempel Manufacturing (Malaysia) Sdn. Bhd.	MYR	100%
Mexico	Pinturas Hempel de Mexico S.A. de C.V.	MXN	100%
Morocco	Hempel Maroc SARL	MAD	100%
Norway	Hempel Norway AS	NOK	100%
Oman	Hempel (Oman) L.L.C	OMR	25%
Oman	Hempel Manufacturing LLC	OMR	25%
Peru	Hempel Pinturas Del Perú S.A.C.	PEN	100%
Poland	Hempel Paints (Poland) S.p. z o.o.	PLN	100%
Portugal	Hempel (Portugal) Lda	EUR	100%
Qatar	Hempel Paints (Qatar) W.L.L.	QAR	28%
Russia	Joint Stock Company Hempel	RUB	100%
Saudi Arabia	Hempel Paints (Saudi Arabia) W.L.L.	SAR	51%
Saudi Arabia	Painting Materials and Equipment Centre Co. LTD	SAR	26%
Singapore	Hempel (Singapore) Pte. Ltd.	SGD	100%
South Africa	Hempel Paints South Africa (Pty) Ltd.	ZAR	100%
Spain	Pinturas Hempel SAU	EUR	100%
Sweden	Hempel (Sweden) AB	SEK	100%
Switzerland	Hempel Schweiz AG	CHF	100%
Switzerland	J.W. Ostendorf (Schweiz) AG	CHF	65%
Syria	Hempel Paints (Syria) W.L.L.	SYP	43%
Taiwan	Hempel (Taiwan) Co., Ltd.	TWD	100%
Thailand	Hempel (Thailand) Ltd.	THB	100%

Location	Name	Currency	Ownership
The Netherlands	Hempel (The Netherlands) B.V.	EUR	100%
The Netherlands	Hempel Industrial B.V.	EUR	100%
Turkey	Hempel Coatings San. ve Tic. Ltd. Sti.	TRY	100%
UK	Crown Brands Limited	GBP	100%
UK	Crown Paints Limited	GBP	100%
UK	Crown Paints Group Limited	GBP	100%
UK	Crown Paints Holdings Limited	GBP	100%
UK	FB Ammonite Limited	GBP	100%
UK	FB Brassica Limited	GBP	100%
UK	FB Brinjal Limited	GBP	100%
UK	FB Calluna Limited	GBP	100%
UK	Farrow & Ball Holding Limited	GBP	100%
UK	Farrow & Ball Limited	GBP	100%
UK	Hempel Decorative Paints Limited	GBP	100%
UK	Hempel UK Ltd.	GBP	100%
UK	Reebor Limited	GBP	1%
UK	Ostendorf U.K. Ltd.	GBP	65%
Ukraine	Hempel Ukraine LLC	UAH	100%
United Arab Emirates	Hempel Paints Company Abu Dhabi L.L.C.	AED	24%
United Arab Emirates	Hempel Paints Emirates L.L.C.	AED	49%
USA	Farrow & Ball Inc.	USD	100%
USA	Hempel (USA), Inc.	USD	100%
USA	Jones-Blair Company, LLC	USD	100%
Vietnam	Hempel Vietnam Company Limited	VND	100%

J.W. Ostendorf GmbH & Co. KG and Röttkamp Immobilien GmbH & Co. KG are exempt from their obligation to prepare, have audited and disclose annual financial statements and a management report in accordance with the regulations applicable to partnerships pursuant to Section 264b of the German Commercial Code (HGB).

5.8 Financial definitions

Financial ratios have been calculated as follows:

EBITDA	=	Operating profit (and loss) before depreciation
Solvency ratio	=	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets}}$
Return on equity	=	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

The Team



Anders Holm
Executive Director



Anna Mølgaard Thaysen
Manager, Education Partnerships



Anna Sofie Kyvsgaard
Project Coordinator



Bettina Klug Raarup
Secretariat Coordinator



Caroline Sørensen
Office support



Casper Thulstrup
Head of Biodiversity Partnerships,
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Rosa Robinson
Senior Project Manager,
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Silje Druj
Financial Controller



Susanne Lang Nielsen
Accountant



Søren Bech Gade
Head of Communication



Thor Hjarsen
Projekt manager and Senior biologist
at Saksfjed Wilderness



Ulrik Thouggaard Jensen
Head of Finance



John Ladekarl
Consultant for Investment
Committee

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Hempel Foundation



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