

# Standard Bank and Woolworths partner to successfully complete R600m sustainability funding deal

Standard Bank has partnered with Woolworths Holdings Limited to successfully conclude the first sustainability-linked working capital facility in South Africa to the value of R600m.



Source: [unSplash](#)

This partnership is testament to Woolworths' commitment to achieving bold sustainability targets and realising its vision to be one of the world's most responsible retailers.

This working capital's facility structure aligns Woolworths' financing decisions with its commitment to sustainability by providing reduced interest rates based on performance against a combination of sustainability performance targets.

As sustainability-linked funding ties the terms of funding to ESG outcomes, it supports and incentivises responsible corporate behaviour and the creation of shared value. The financing structure is also very strongly aligned to Standard Bank's own Social, Economic, and Environmental (SEE) impact framework.

"This deal is another example of our ongoing commitment to ensuring sustainability is entrenched into the heart of our business, particularly from a working capital perspective, which drives our daily operational requirements. We have committed to ensuring that all our debt going forward is ESG-linked where possible.

Woolworths now has approximately 60% of our debt in line with our sustainability targets. This is our sustainability strategy in action and demonstrates our intent to making a meaningful difference for the greater good of the planet and its people,” says Feroz Koor, group head of Sustainability at Woolworths.

As the second sustainability-linked deal concluded with Standard Bank, the bank stepped in as the lender and sustainability co-ordinator to support Woolworths’ drive to ensure responsible environmental resource management of key agreed sustainability performance indicators (SPIs). These included Woolworths’ food, private-label fashion, beauty, and home goods as well as electricity consumption in corporate stores.

## Seamless integration leads to success

Acting as the primary transactional advisory bank through its Corporate and Investment Banking (CIB) and Transactional Products and Services (TPS) divisions, Standard Bank provided seamless ESG funding solutioning to support the Woolworths journey towards achieving their strategic sustainability objectives.

“This landmark deal is the first of its kind from a TPS SA perspective,” explains Justin Dhunraj, sector head: Consumer, Transactional Products, and Services at Standard Bank. “As the first ESG sustainability-linked deal, an extensive amount of collaboration from internal stakeholders, such as our legal-, credit-, and business teams, were required to draft the necessary ESG principles.”



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Emma Rumney 16 Mar 2022



Kerry Young, senior legal manager: Transactional Products and Services at Standard Bank, attributes the successful finalisation of this deal, under tight deadlines, to the unwavering dedication and support of all Standard Bank divisions and the client’s solid commitment to this process, as well as their clear vision of what they wanted to achieve from it. “It is always a pleasure working with a committed partnership team to develop a first-to-market financing product and still have fun doing it,” says Alana Shapiro, Group treasury manager at Woolworths.

## Building on a solid base

With this pioneering achievement comes the confirmation of Standard Bank’s ability to evolve and exceed new client needs. Not only did the bank’s CIB and TPS divisions negotiate uncharted waters with this deal by crafting its own ESG template, but its innovative solution has potentially pivoted it to the forefront of the industry.

“The negotiation process with Woolworths was a true reflection of our partnership and willingness to meet our clients halfway,” says Tania Troskie, global transactional banker: Transactional Products and Services at Standard Bank. “Going forward, our aim is to replicate similar ESG agreements with other clients now that we have a strong base from which to work.”

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