



Standard Bank and Woolworths debut SA’s first retail sector sustainability-linked working capital facility

Standard Bank *IT CAN BE™*
Also trading as Stanbic Bank

TRANSACTION OVERVIEW	
Borrower	Woolworths Proprietary Limited
Guarantor	Woolworths Holdings Limited
Debt Amount	R600m
Standard Bank Role	Lender/Sustainability Agent and Sustainability Co-Ordinator
Purpose	ESG Linked Sustainability Funding
Transaction value	R600m (Six Hundred Million Rand)
Tenor	Working Capital On Demand Facility
Country	South Africa
Deal Maker	SBSA TPS SA
Closing date	December 2021



December 2021

R600M

Sustainability Linked Working Capital Facility

Arranger and Lender



COMPANY OVERVIEW

- Woolworths Holdings Ltd (WHL) is one of the top 40 companies listed on the JSE with operations across the southern hemisphere with 34% of operating profit generated in Australia. Brand rated no 11 in SA top 30 Brands
- The Group employs more than 44 000 people across 14 countries and trades in more than 1 400 store locations. WRewards program has attracted in excess of 3,3m customers
- Sustainability is entrenched in the Woolworths business, supporting their vision to be one of the most responsible retailers globally. It's deep-rooted in their culture and Good Business Journey which was launched in 2021. The Good Business Journey focusses on improving eight key areas across busines, being (i) energy and climate change, (ii) water, packing and waste, (iii) sustainable farming, (iv) ethical sourcing, (v) people, (vi) social development, (vii) health and (viii) wellness.


STANDARD BANK INVOLVEMENT

- Standard Bank acted as the primary transactional advisory bank in the establishment of our first TPS SA Sustainability Funding ESG linked Working Capital facility for Woolworths in the Consumer sector
- Our primary objective was to partner with Woolworths in recognition of the vision and values as embedded in their culture. Their sustainability journey resonates with the bank, as we acknowledge responsible corporate governance by encouraging and rewarding the right behaviour and by providing funding at reduced rates for meeting certain sustainability criteria that will be agreed on a case-by-case basis.

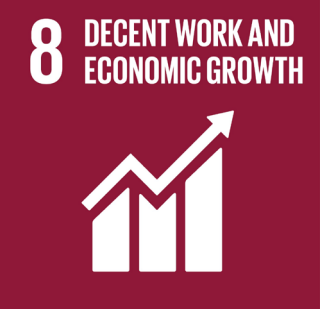
HIGHLIGHTS/ KEY FEATURES

- This landmark deal is exceptional being the first of its kind from a TPS SA perspective and being our first ESG linked overdraft facility within the Consumer sector in SA. We expect similar projects across various sub-sectors within the Consumer Sector going forward in 2022, with ESG being an important thematic. The deal required an extensive amount of collaboration and expertise across multiple internal stakeholders (Sustainability team, IB, Legal, Coverage and TPS), and this was achieved successfully through coordinated CST engagements. The negotiation process with Woolworths was a true reflection of our partnership and also demonstrated our ability to venture into uncharted waters in crafting our first TPS ESG template. This deal has a strong commitment to drive responsible environmental resource management of the following agreed sustainability performance indicators (SPIs):
 - Woolworths Food, private label and co-branded products
 - Woolworths private label Fashion, beauty and home goods
 - Electricity usage in corporate stores.
- The negotiation process with Woolworths was a true reflection of our partnership and willingness to meet our clients halfway but simultaneously ensuring that there is mutual risk mitigation every step of the way. Our aim is to replicate similar ESG agreements with other clients going forward now that we have a strong and solid base to work from.
- This is a pioneering and game changing achievement for our business and confirms our ability and willingness to be able to evolve with the times to meet and exceed the client’s new needs as and when they occur. TPS ventured into uncharted waters in the crafting of our own TPS ESG template that would be included and form an integral part of the R600m Working Capital Facility Letter that was prepared for Woolworths.


Alignment with UN SDGs




2 ZERO HUNGER




8 DECENT WORK AND ECONOMIC GROWTH




12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND

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