

Standard Bank and Woolworths sign milestone agreement

Standard Bank has partnered with Woolworths Holdings Limited (WHL) to successfully execute the first sustainability-linked transactional deposit structure in South Africa.



Source: [Fxabay](#)

The transactional deposit structure links the interest Woolworths earns on their deposits to the achievement of Environmental, Social and Governance (ESG) targets.

The KPIs and sustainability performance targets (SPTs) agreed between Woolworths and Standard Bank, cover both Woolworths' Food and Fashion, Beauty and Home (FBH) businesses, with a focus on increasing local sourcing of FBH products, a continued focus on sustainability attributes in food products and the reduction in electricity usage in corporate stores

"Following the success of signing up Woolworths as our first ESG-linked funding partner in the latter part of 2021, being first to market yet again in the conclusion of another milestone deal with Woolworths as our very first sustainability-linked transactional deposit client across South Africa is an incredible honour," said Standard Bank global transactional manager, consumer sector, Tania Troskie.

The deal marks a significant step in the sustainability journeys of both entities.

"In line with our vision to be one of the world's most responsible retailers, we have already linked more than 80% of our drawn debt to specific sustainability attributes, and we are very pleased to have now linked the other side of our balance sheet, our deposits, to these criteria as well.

"The conclusion of another benchmark sustainability-linked financing deal is not only testament to our commitment to making a meaningful difference for the greater good of the planet and its people, but the importance of collaborating with others in this cause for good," said Roy Bagattini, WHL group chief executive officer.



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Over the past year, Standard Bank has also partnered with Woolworths to successfully initiate several ESG-linked deals, including a R1.15bn loan and a R600m working capital facility – both of which are linked to the retailer's sustainability targets.

"For Woolworths, Standard Bank has taken a holistic approach through our proposal for overlaying the ESG benefits in terms of deposits, in addition to the working capital funding that already exists.

"We recognise and acknowledge Woolworths for their continuous drive towards responsible corporate governance.

"Standard Bank is therefore providing Woolworths with preferential deposit interest rates for meeting agreed upon sustainability performance targets," said Standard Bank transactional products and services head: consumer sector, Justin Dhunraj.

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