

RMB arranges Africa's first gender-linked bond issuance for Barloworld

RMB successfully arranged a R1.143bn gender-linked bond issuance across three-year and five-year tranches for industrial group Barloworld, acting as arranger and sustainability co-ordinator.



"The gender-linked bonds have been issued in alignment with our gender transformation strategy and are something that we as Barloworld are committed to and have been monitoring for years. We are proud to have pioneered this landmark transaction," said Relebohile Malahleha Barloworld executive: strategic finance and treasury.

It is evident that there is more work to be done in South Africa to improve gender parity both in the workplace and more broadly through equitable access to economic opportunity.

Nopasika Lila, finance director for Barloworld added: "Barloworld is committed to playing our role in driving gender equity in South Africa and across our markets of operation.

"To date we have made significant progress in ensuring gender mainstreaming across our operations. The issuance of bonds with gender-specific KPIs, the first of its kind in Africa, is testament to our commitment and enables our stakeholders to track our progress in this regard.

"The KPIs that have been outlined are in line with our diversity and inclusion journey."

RMB worked closely with Barloworld in establishing a gender-linked bond framework that clearly outlines the strategic relevance of gender diversity to Barloworld and will enable Barloworld to issue similar instruments in future, in line with this strategy priority.



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Katja Hamilton 2 Aug 2022



The framework has been externally verified to confirm its alignment with the international capital market associations' sustainability linked bond principles.

Danielle Frank from RMB's sustainable finance & ESG advisory team said: "This gender-linked bond not only recognises the need for greater gender transformation in South Africa but also acknowledges local investor demand for more socially-aligned instruments.

"Sustainable finance offers a fantastic opportunity to innovate and deliver solutions for clients that support a long-term sustainable economy."

The bond will also be listed on the JSE's sustainability segment, having complied with the latest debt-listing requirements.

"Notably, the gender-linked bonds priced competitively compared to Barloworld's traditional bonds which is typical of funding raised for sustainability focused debt instruments.

"This instrument further delivers a pricing benefit for Barloworld on the achievement of the gender performance targets and is a great demonstration of how to align an issuers financial strategy with its sustainability strategy through innovative solutions.

"We are confident this transaction sets the benchmark for other corporates on the continent and will encourage companies to focus on their disclosure of gender-related metrics and ultimately commit to targets for improvement in gender diversity in their own business." says Trishalia Naidoo, from RMB's debt capital market's team.

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