



Case study: South32 Limited

South32 strengthens its commitment to UN SDGs, while retaining flexibility in using buffer USD

South32 aims to develop natural resources sustainably and with care, in a way that creates enduring social and environmental value. It is aligning treasury needs and practices with its purpose. Deploying deposits to support efforts aligned with the United Nations' Sustainable Development Goals (UN SDGs) — while meeting day-to-day needs for liquidity and yield — is a unique opportunity.

“ Sustainability is at the heart of our purpose and underpins everything we do, and that includes how our treasury operates. Standard Chartered's new Sustainable Account is an innovative solution that is exactly what many organisations like ours need. It gives us the best of both worlds – to contribute to our sustainability agenda while providing the flexibility to use buffer cash. Plus, it allows us to better optimise resources without having to manage rolling deposits. ”

Brian Purdy

VP Tax and Treasury, South32 Limited

Background

South32 is a globally diversified mining and metals company headquartered in Perth, Western Australia, and listed on the Australian Securities Exchange with secondary listings on the Johannesburg and London Stock Exchanges.

Its corporate objectives are to make a difference by developing natural resources, improving people's lives now and for generations to come. It is trusted by its owners and partners to realise the potential of their resources.

Objectives

South32's treasury was looking for additional ways to contribute to the organisation's sustainability agenda while meeting its day-to-day operational cash needs.

This meant having an interest-bearing deposit account – in USD – that contributes to sustainable development while supporting its liquidity requirements.

South32 wanted to retain flexibility and minimise the administrative burden, such as the need to manage rolling deposits.

Lastly, its treasury team valued visibility – both in terms of how deposit placements in the account would be referenced against sustainable development and reflection of the balances in its treasury management system.



Solution



South32 leveraged Standard Chartered's Sustainable Account solution to meet its dual objectives of contributing to sustainable development and retaining the flexibility to support its liquidity requirements.



Designed to offer flexibility in the trade-off between account yields and contribution towards sustainability, the account also comes with a Sustainable Report, which allows South32 to view the independently verified impact of the projects its deposits were referenced against. This provides transparency and assurance that gives South32 a peace of mind, without the need to undertake complicated benchmarking or assessments to align its treasury to the organisation's sustainability objectives.

Results

South32 was able to contribute to sustainable development by referencing its deposits against sustainable projects based on Standard Chartered's Green and Sustainable Product Framework.

In addition to simple implementation and minimal effort to upkeep, the Sustainable Account solution also supports South32's plan for capital funding through diversifying the maturity profiles of its cash deposits.

As a result, South32 was able to diversify its treasury investment portfolio and increase short-term liquidity whilst optimising return on cash.

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