



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.

Disclaimer

This material has been prepared for reference and information purposes only, is not independent research material, and does not constitute an invitation, recommendation or offer to subscribe for or purchase any of the products or services mentioned or to enter into any transaction.

Some of the information herein may have been obtained from public sources and while SC Group believes such information to be reliable, SC Group has not independently verified the information. Information contained herein is subject to change at any time without notice. Any opinions or views of third parties expressed in this material are those of the third parties identified, and not of SC Group. While all reasonable care has been taken in preparing this material, SC Group makes no representation or warranty as to its accuracy or completeness, and no responsibility or liability is accepted for any errors of fact, omission or for any opinion expressed herein. The members of SC Group may not have the necessary licenses to provide services or offer products in all countries, and/or such provision of services or offer of products may be subject to the regulatory requirements of each jurisdiction. Any comments on investment, accounting, legal, regulatory or tax matters contained in this material should not be relied on or used as a basis to ascertain the various results or implications arising from the matters contained herein, and you are advised to exercise your own independent judgment (with the advice of your investment, accounting, legal, regulatory, tax and other professional advisers as necessary) with respect to the risks and consequences of any matter contained herein. SC Group expressly disclaims any liability and responsibility whether arising in tort or contract or otherwise for any damage or losses you may suffer from your use of or reliance of the information contained herein.

You may wish to refer to the incorporation details of Standard Chartered PLC, Standard Chartered Bank and their subsidiaries at <http://www.sc.com/en/incorporation-details.html>.

This material is not for distribution to any person to which, or any jurisdiction in which, its distribution would be prohibited.

© Copyright 2023 Standard Chartered Bank. All rights reserved. All copyrights subsisting and arising out of these materials belong to Standard Chartered Bank and may not be reproduced, distributed, amended, modified, adapted, transmitted in any form, or translated in any way without the prior written consent of Standard Chartered Bank.