

Shoprite's takes out biggest sustainability loan and first green loan in the retail sector

The Shoprite Group has finalised sustainability-linked loans totalling R3.5 billion for investments to expand its key environmental programmes as part of its wider sustainability strategy.

These include a R2 billion loan from Standard Bank (the bank's biggest in the retail sector to date), and a R800 million sustainability-linked loan and a R700 million green loan (a first in the retail sector) from RMB for investment in environmental projects.

A further sustainability-linked loan is in the pipeline.

The loans will be used to expand the Group's investment in:

- Renewable energy and the increase of energy from renewable sources as a percentage of total electricity consumption;
- Recycling cardboard and plastic;
- Sustainable packaging, including reusable, recyclable and compostable packaging, containing recycled material; and
- Energy efficiency, including LED lighting, and a monitoring system for refrigeration to reduce energy consumption and waste.

These investments will enable the Group to expand on the substantial investments it has already made. In the previous financial year, it:

- Reduced carbon emission intensity by 3.3% and water use intensity by 7.5%;
- Increased the installed capacity of its solar photovoltaic (PV) systems by 82%;
- Reduced electricity consumption by 150 million kWh through its LED lamp replacement project since inception;
- Recycled 46 102tons of cardboard from stores and distribution centres, and diverted 10 241 tons of plastic waste from landfills; and
- Paid R2.2 million in rebates to customers for reusing their Planet bags since inception.

"The loans enable us to continue on the road to reduce our environmental footprint by using more renewable energy and sustainable packaging, and recycling more waste. These environmental programmes are key in our fight against climate change, and we are able to increase the pace and intensity of our actions with these loans," says Sanjeev Raghubir, Group Sustainability Manager.

According to Raghubir, the Group's record to date has provided funders with demonstrable evidence of the nature and scale of its sustainability projects and ambitions and enabled the retailer to access a preferential cost of funding.

"The loans allow us to continue to make a sustainable, positive environmental impact and improve our operational efficiencies, which in turn result in additional ongoing savings that we can pass on to our customers."

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