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To what extent are bankers taking ESG factors into account when considering potential deals?

Most, if not all, banks are extremely focused on building out Sustainable Finance and ESG initiatives, and they are incorporating ESG considerations into their credit decisions. I think only a few banks have the sort of DNA that weaves impact into how they do business across the board.

How are they adapting due diligence and valuation processes to consider ESG?

Due diligence processes must have ESG considerations built into them. It's what we believe is an essential component of current and future dealmaking. Integrating ESG thinking helps to formulate views on risk and risk factors throughout the diligence process and equally in formulating opportunities and upside. There are generally opportunities to be found where others see risk. We believe that clients who factor this kind of thinking into their deals are poised for sustainable, long-term returns, regardless of the sector in which they operate.

In which markets and sectors are these debates most advanced?

The sectors best positioned are those you would expect – Renewables, Power and Infrastructure, Healthcare, and Financial Services. We are also seeing a huge focus on the Just Transition across all sectors. We need to remember that ESG has three legs to it, people tend to focus on Environmental considerations, however taking Social and Governance factors into consideration is also good business practice.

How do you believe the shift away from fossil fuels will shape M&A activity over the coming years?

We especially like the emergence of integrated energy as a theme, as evidenced by our landmark deal alongside Seriti in its acquisition of Windlab's South African and East African businesses to create Seriti Green. Standard Bank was a co-investor in the equity, as well as a funder and partner to Seriti and Seriti Green. This deal delivers on our very strong commitment to the Just Energy Transition.

ESG and responsible investment considerations are profoundly reshaping business models. We have witnessed a rise in ESG dealmaking, with Standard Bank closing some key deals this year, do you predict this trajectory to continue over the next 5 years?

This trend is now well established and strengthening, and we believe there are huge opportunities in deal making over the next 5 years. Specifically, we see the emergence of several integrated energy players providing scope for multiple deal angles, from secondary asset trades to structuring and creating capital and funding vehicles to deliver on those aspirations. Permanent vehicles and fund

structures are becoming prevalent as solutions to delivering substantial pools of capital and liquidity into both REIPP and C&I projects. Changes in investment strategies away from single assets into platforms, secondary trades by sponsors out of and into assets portfolios, and foreign investment into local and African power are all themes we are seeing with our clients.

Given the continents massive funding needs, what role will sustainable finance play in bolstering capital for high-impact projects and how much appetite is there for green financing in Africa?

ESG, Sustainable Finance and Green Investments have become the biggest buzz words in the last few years. What used to be a niche topic has now taken centre stage – so this begs the question "what's next"? We see the buzzwords as a distraction – profit with purpose is not a new concept, but as these topics become part of mainstream dealmaking we see renewables corporate finance and M&A advisory specifically becoming a critical focus area for investment banks, and one which has relevance in the South African and African context. The convergence between technology and renewable energy specifically has the potential to become its own theme, alongside fintech.

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What does your current role entail, and tell us about your journey to this position?

I am an Executive in the Standard Bank Advisory team, with a mandate to build out and grow the Advisory team's Renewables Advisory capability.

My career in Investment Banking began at Standard Bank, and I have returned to the Group, because of the bank's values and culture, which have always been aligned with positive social outcomes.

What is the biggest / most complex transaction you have worked on so far in your career?

I have been fortunate to work on cross border deals including jurisdictions such as Turkey, Argentina, Russia and across Africa. I think buying and then restructuring and exiting a Turkish investment bank with operations in three jurisdictions probably rates quite high on the complexity list. However, the deals that tweak the most interest for me often have involved some principal equity investment angle as well, such as in the recent Seriti deal. Being able to deliver a full advisory, equity and debt solution in a deal construct makes things really interesting and is what sets us apart.