

Khurshid Fazel  
Partner



## WEBBER WENTZEL

in alliance with > **Linklaters**

### Area of speciality

Banking and finance, and within that, debt funding and hybrid funding, i.e. hybrid debt with equity-like features.

### Experience in ESG (focus being within SA and especially in the deal making / financial market space)

I recently started becoming involved in matters which have sustainability-linked loans. A new spin on

financing and an area I have just had to skill up on.

I was involved in advising a syndicate of banks and financial institutions that advanced sustainability-linked facilities to Mediclinic Southern Africa. The funders and Mediclinic agreed upon certain environmental and social key performance indicators (KPIs) and annual targets in respect of the KPIs. The relevant targets are independently verified every year, and if they are met, the margins applicable to these facilities will be reduced.

Each sustainability-linked loan has bespoke KPIs and targets and the interest rate adjustments are equally bespoke and as such these provisions need to be formulated on a deal by deal basis. In addition, the extent of the sustainability agent's role is constantly evolving (including in the global market) which makes these provisions quite heavily negotiated.

This was a great matter to be involved in and landmark within the SA context. What was interesting to me on this matter as well was that when discussing it with our global alliance partner, Linklaters – they hadn't done an akin deal. It was quite gratifying to see that this SA led deal was a bit ahead of what is happening in global markets in this instance.

### Thoughts on ESG as a whole in the context of SA

I am very impressed with the strides that have been made on ESG particularly in the financial services sector in SA, with banks putting a lot of emphasis on it. One of my biggest clients is RMB, which has been building its ESG capacity and hiring people with expertise in

this area. They have an internal drive to build knowledge and skills.

In global M&A, ESG is very much on board agendas. While banks are very aware of these issues, larger and smaller corporations are also following the global trends. It's all quite new but gathering lots of momentum.

### Hurdles | challenges within this sector

There is a shortage of knowledge and experience in the market in some areas, although we are all learning fast. We have to learn a new language, new concepts and principles. Some of the challenges include how to verify information to ensure companies are meeting their sustainability targets.

Auditing compliance is an issue, as we have found there is really a shortage of experts in SA who are qualified to audit ESG compliance. But the auditing firms are also ramping up their capabilities in this area.

### Some personal information, eg how did you get into this speciality

It wasn't my plan to become a corporate lawyer. I had started my early career wanting to be a human rights lawyer. But the path was diverted, and I found myself at a large corporate law firm specialising in banking and finance. It's very different from where I started, but it has been a fulfilling career and an interesting area of law. I'm also finding the big drive on ESG within the area to be exciting – the social and environmental impact aspects resonate with my early career aspirations – and desire to make a meaningful impact through my work.

### Interesting fact(s) about yourself / your achievements

I previously worked with orphaned children, through the international organisation War Child, and spent time in Jordan in the refugee camps. I also walked for six days in the desert to help raise awareness for War Child.

I love to be in nature and to walk. I have done lots of multi-day walks in the Kruger National Park and completed the Otter trail. ●

There is a shortage of knowledge and experience in the market in some areas, although we are all learning fast. We have to learn a new language, new concepts and principles.

