

RMB Facilitates Sustainability-linked Financing Package for Lango Real Estate

Lango and RMB take a lead in propelling Africa's sustainability agenda

28 September 2023

Leading pan-African real estate firm Lango has proactively appointed RMB to act as sole sustainability advisor and coordinator for its first sustainability-linked financing package.

The generation of compelling and sustainable investor returns through the acquisition of prime commercial real estate assets in key gateway cities across Africa is central to Lango's business model. Lango has recognised that to promote growth and secure the long-term sustainability and longevity of its assets, a sustainability strategy in line with international best practice is required.

Lango owns a diversified and growing portfolio worth more than USD600 million comprising of prime commercial assets in select African countries, including Ghana, Nigeria, Zambia, and Angola. RMB, who also have a minority shareholding in the business, has acted as a funding partner to Lango since inception and has an aligned interest in enabling Lango's sustainability strategy.

As sustainability advisor, RMB has been instrumental in supporting Lango's establishment of a holistic sustainable finance framework (SFF), which considers both use of proceeds loans (such as green and social loans) and sustainability-linked loans. In reference to the SFF, RMB as sole sustainability coordinator implemented a USD325 million jointly funded sustainability-linked loan (SLL) package - one of the largest sustainability-linked loans implemented to date in Africa.

The development of the SFF is a significant milestone for Lango in its sustainability journey, as it integrates Lango's financial strategy and sustainability goals, along with enhancing the transparency of sustainability reporting.

Says Thomas Reilly, CEO of Lango: **"The implementation of a sustainable finance framework not only allows Lango to take a leading role in furthering the sustainability agenda in Africa, but also allows Lango the opportunity to credibly tap the impact-related financial markets internationally in order to secure additional growth capital. The framework tangibly demonstrates our commitment to sustainability, not only to our stakeholders, but also to the various communities across the continent in which we operate. We have worked together with RMB to develop a SFF that enables Lango to repeatedly access the sustainable finance market in an efficient manner, thereby facilitating further growth, value creation and the positive impact of the business."**

In establishing the SFF, RMB worked with Lango's senior management to identify the key performance indicators (KPIs) that will catalyse Lango's decarbonisation and overall sustainability ambitions. These KPIs include increasing the use of renewable energy sources, ensuring buildings are green certified, and improving Lango's gender diversity. The renewable energy that is expected to be installed over the period of the sustainability linked loan is anticipated to equate to the power requirement for approximately 2,437 homes. Lango will also aim to achieve 20% improvements in energy, water, and embodied energy in materials in most of their buildings by 2025.

The real estate sector has a significant environmental footprint in term of energy consumption, greenhouse gas emissions, and waste generation. In support of the United Nations Sustainable Development Goals, it has become important for funders internationally to financially incentivise real estate developers and investors to prioritise environmentally friendly practices such as renewable energy adoption and sustainable construction practices. Not only can this help to mitigate climate change, but it also enhances the long-term value and marketability of real estate assets.

“Lango has cemented its commitment to achieving ambitious sustainability goals, with the aim of ensuring all their assets are managed through the lens of corporate responsibility, accountability, and sustainability. With a growing sustainability agenda in Africa, Lango’s commitment and utilisation of sustainable finance as a leading African real estate organisation will prove transformative for the sector, while ensuring a meaningful contribution to the continent’s sustainability goals,” says Reinhard Winsauer, head of RMB’s broader Africa Real Estate Investment Banking division.

“The close relationship we have developed with Lango over time enabled us to deliver a bespoke transaction that meets Lango’s ongoing financing needs and strategic imperatives, while also supporting our commitment to reduce financed emissions and achieve net zero financed emissions by 2050. In addition, this funding package is a substantial contribution to RMB’s commitment to facilitate over R200 billion in sustainable finance,” he concludes.

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ABOUT LANGO REAL ESTATE:

Lango is a private real estate company focused on generating compelling and sustainable investor returns through the acquisition of prime income generating commercial real estate assets in key gateway cities across the African continent. Originally jointly established between Ninety One and Growthpoint Properties, in partnership with the IFC, Lango commenced operations in March 2018. The business has since demonstrated significant growth, emerging as a leader in the asset class in Africa, with assets on its balance sheet in excess of \$600million* and diversified across four countries. Lango ultimately aims to catalyse the capital market for real estate as an asset class in Africa and has embarked on a roadmap to list on the London Stock Exchange in 2025. *As at June 2023.

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