

UKEF backs landmark £430 million green transition loan for Wood Plc

- First ever green transition loan backed by UK Export Finance (UKEF) helps Wood continue to transition to capitalise on opportunities linked to clean energy, hydrogen and decarbonisation
- Loan gives Wood the financial resource to take advantage of green trade opportunities
- Government aligns free trade agenda behind green exports ahead of COP26

LONDON – August 19th, 2021 – The first ever government-backed green transition loan has been awarded to engineering and consultancy firm Wood to seize new clean growth export opportunities, International Trade Secretary Liz Truss has announced today.

With less than three months before the UN climate change conference, COP26 in Glasgow, the UK continues to align its free trade agenda behind green exports to speed up the country's transition away from fossil fuels to low-carbon energy sources, which is expected to deliver [up to £170 billion](#) of export sales in goods and services for the UK by 2030.

Firms operating in the UK's industrial heartlands, like Aberdeen-headquartered Wood, will be backed by Government to drive forward this transition, whilst supporting thousands of green jobs.

This £430 million commercial loan will be supported by an 80% UKEF Transition Export Development Guarantee ([Transition EDG](#)) and will give Wood the financial resources to enhance its clean growth plans by:

- accelerating the speed at which Wood can organically grow its business by investing in future low carbon growth areas linked to the energy transition in the UK and abroad
- providing critical working capital for deployment in clean growth projects around the world
- providing additional funds for Wood's research and development in clean growth sectors

Under the agreement, Wood will commit to increasing its clean growth portfolio and significantly reducing its greenhouse gas emissions over the five-year tenure of the facility.

Wood employs nearly 7,000 people across the UK and generates nearly £400 million annually from its exports. The company expects its export revenue, related to low-carbon projects, to significantly increase as the energy transition gathers pace and the loan will help them capitalise on these opportunities, supporting green jobs at the firm.

International Trade Secretary, Liz Truss, said:

Green trade presents a major economic opportunity for Britain that will drive high-value jobs in every part of the nation. Wood has already made great strides in repositioning its business for a low-carbon future. I am delighted it is the first company to energise its clean growth plans using UKEF's new Transition Export Development Guarantee, which will support thousands of green jobs.

UK Government Minister for Scotland David Duguid said:

It's fantastic to see the UK government's first Transition EDG going to a Scottish-based company, helping support low carbon jobs right across the whole UK.

As we prepare to host COP26 in Glasgow later this year, this announcement marks another important milestone in the UK's energy transition, showing how free trade will help deliver on our net zero targets.

Robin Watson, Chief Executive at Wood said:

We recognise the unstoppable momentum behind the energy transition and are committed to providing the practical solutions to help deliver a net-zero future. We are already well advanced with our own transition, deliberately broadening our portfolio across energy and supporting our clients to achieve their own carbon reduction goals.

UKEF's support will allow us to accelerate this journey and capitalise on the many opportunities emerging as we build the low-carbon energy systems of the future.

UKEF's Transition EDG was launched ahead of COP26 to enable UK exporting companies to access the financial resources they need to transition away from fossil fuels to clean energy alternatives.

The facility was co-ordinated jointly by Citi and BNP Paribas with Citi acting as Facility Agent while Rothschild & Co acted as advisers to Wood. The mandated lead arrangers were ABN Amro Bank, BNP Paribas, Citi, HSBC UK Bank, Lloyds Bank and The Royal Bank of Scotland.

Slaughter & May acted as legal counsel to Wood with Allen & Overy engaged jointly by UKEF and the banks. CRISIL, an S&P Global Company, acted as an independent consultant and was engaged to assess the credibility of Wood's clean growth plan and carbon reduction targets.

About UK Export Finance

[UK Export Finance](#) is the UK's export credit agency and a government

department, working along-side the Department for International Trade as an integral part of its strategy and operations.

Established in 1919, it exists to ensure that no viable UK export should fail for a lack of finance from the private market. It provides finance and insurance to help exporters win, fulfil and get paid for export contracts.

About Wood

Wood is a global leader in consulting and engineering across energy and the built environment, helping to unlock solutions to some of the world's most critical challenges. We provide consulting, projects and operations solutions in more than 60 countries, employing around 40,000 people. www.woodplc.com

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