

Out of the Ordinary since 1974

CLIMATE AND NATURE-RELATED FINANCIAL
RISK DISCLOSURES 2024

Investec Bank (Mauritius) Limited

Reporting in accordance with the recommendations
of the TCFD (Task Force on Climate-related
Financial Disclosures)





PAGE REFERENCES

Refers readers to information elsewhere in this report



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Investec Bank *(Mauritius)* *Limited*

A distinctive banking and wealth management business creating sustainable, long-term value for our stakeholders.

In this chapter

A note from our Chief Executive Officer

A note from the Group Chief Strategy and Sustainability Officer

01



A note from our Chief Executive Officer



“Sustainability transcends being a mere buzzword; it’s a way of life etched in every aspect of our business. We are committed to building a future driven by our purpose, to have an enduring positive impact on the island and globally, for both people and the environment”

Grant Parsons
Chief Executive Officer



Mauritius, frequently referred to as the star of the Indian Ocean, announced in 2008 its commitment to make the island a model of sustainable development with the launch of the Maurice Ile Durable project.

At Investec, our purpose is to create enduring worth. We exist to create enduring worth for all our stakeholders – our clients, our people and our shareholders. One of Investec’s key values is that we are committed to living in society, not off it, contributing meaningfully to the communities in which we operate. Thus, sustainability is deeply embedded in our business.

Investec Mauritius’ focus on the environment is one of the most effective ways to create employment, wealth and socio-economic growth on the island.

We recently relocated to The Strand in Beau Plan. The Strand is part of the Mauritian government’s Smart City Scheme initiative. The scheme is designed to support the country’s economic growth through the development of innovative and smart projects and better planned urbanisation.

As an Edge-Certified building, The Strand exemplifies Investec’s commitment to sustainability. Our office fixtures and

infrastructure technologies are eco-friendly and are designed with sustainability in mind. As an example, the bulk of our office infrastructure is manufactured on the island to support the local economy. For Investec, this is more than a change of location. It is a statement of purpose and a commitment to a brighter and more sustainable future. Investec clients can rest assured that they are dealing with a sustainable, financially resilient and ethical business – here for the long term.

In this inaugural climate and nature-related financial risk disclosure, we unveil our strategic approach to sustainability, which is deeply rooted in our corporate identity. As we navigate the complexities of climate and nature-related financial risks, Investec’s leadership remains proactive, engaging in continuous learning and adaptation to embed sustainability at the core of our business practices. By prioritising the environment and our societal impact, we are not only responding to the challenges of our time but also setting a course for responsible stewardship and long-term value creation for all stakeholders.

Through this report, we reiterate our pledge to transparency and accountability, as we join global efforts to foster a more sustainable and resilient future.

A note from the Group Chief Strategy and Sustainability Officer

In the financial year ended 31 March 2024, Investec Group continued to fortify its commitment to creating enduring worth. Central to this organisational purpose is that sustainability is integral to our business. The time has passed for organisations that make returns to not consider the impact this may have on broader society and our planet. Our commercial strategies work with a multiple stakeholder perspective from inception and are conscious about the impact they make in the world.

Guided by the United Nations Sustainable Development Goals (SDGs), we’ve focused on two key areas where we are best placed to make a lasting difference: climate action (SDG 13) and reducing inequalities (SDG 10). The Investec Group Sustainability report, which is publicly available offers a transparent and unvarnished account of the strides we’ve made, celebrating noteworthy achievements while highlighting areas where further progress is needed.

Our leadership team continues to devise strategies that generate sustainable value for our clients, our people, our communities and the environment, and holds itself accountable to these outcomes. Investec executives attended various learning programmes and events during the year that ensure we are at the forefront of the sustainability challenges.

Investec Group has embraced specific and measurable targets that challenge us to direct financial flows toward positive outcomes for our planet and society. I’m proud to note that Investec Group remained carbon neutral within its Scope 1, Scope 2, and operational Scope 3 emissions for the sixth year.

Our ambition to achieve net zero by 2050 is underpinned by a three-pronged strategy:

- Meeting our fossil fuel exposure commitments
- Driving sustainability and transition finance activities
- Influencing our clients and suppliers to effectively pursue decarbonisation.

In the year under review, Investec Group introduced a comprehensive Sustainable and Transition Finance Classification Framework to guide our decision-making processes as we actively pursue our 2050 net-zero ambition. We have established Sustainable Business Forums at group that develop and integrate sustainability strategies into our business processes, commercial plays, and incentive frameworks, addressing our own aspirations as well as the expectations of our stakeholders.

This year Investec Group conducted a thorough double materiality assessment to identify and evaluate our most significant sustainability-related impacts, risks, and opportunities. This assessment informs our sustainability strategy, ensuring we focus on material topics and drive impactful action. This work also meant that we stayed abreast of new regulations, particularly the European Union (EU) Corporate Sustainability Reporting Directive (CSRD).

In summary, Investec Group’s commitment to sustainability, purpose, inclusivity, and community engagement has positioned us as a business that drives positive change and sees sustainability as part of its core commercial strategy. We will continue to pursue this agenda with energy and passion as we seek out more opportunities to create enduring worth in the world.

Marc Kahn
Group Chief Strategy and Sustainability Officer

We recognise the complexity and urgency of climate change and consider the risks and opportunities that it presents to the global economy. In addition, climate change is also playing an increasingly important role in the decline of nature and biodiversity which are the foundation of all that sustains our world. We support the Paris Agreement’s goals of holding the increase in the global average temperature to well below 2°C compared to pre-industrial levels and of pursuing efforts towards limiting it to 1.5°C.

Our positioning:

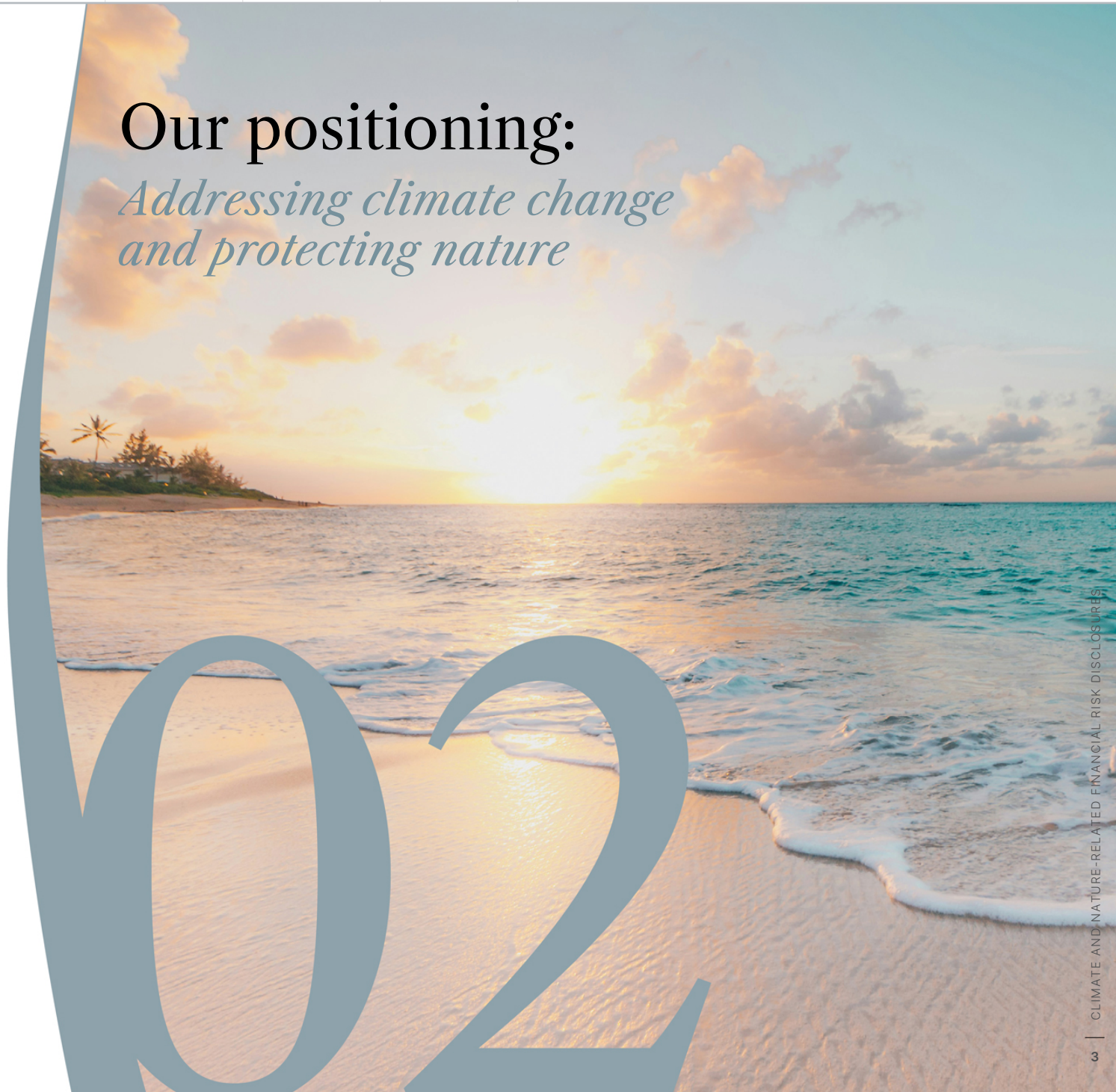
Addressing climate change and protecting nature

In this chapter

Our sustainability framework

Climate and nature-related commitments and ambitions

Our positioning on climate change and nature preservation



Our sustainability framework

Our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment and society. We play an important role in funding (both lending and investment) a sustainable economy that is cognisant of the world’s limited natural resources, and the importance of reducing carbon emissions. One of the greatest socio-economic and environmental impact we can have is to partner with our clients and stakeholders to accelerate a cleaner, more resilient and inclusive world.

Our purpose is to create enduring worth.

Our Group sustainability framework, which we fully embrace is based on the UN SDGs

Our two impact SDGs



Addressing climate and inequality matters are fundamental to the success of our business.

Our core SDGs



Our sustainability framework is based on:

- Living sustainably within our operations, through our policies, processes, risk practices and reporting
- Partnering with clients by promoting sustainability practices that positively contribute to the SDGs
- Aligning our community initiatives to our SDG priorities to maximise impact in education, entrepreneurship and the environment.

For more information on Group environmental policy and climate change statement, [click here](#).

Our Group approach

- 1 Positively contributing to the Sustainable Development Goals
- 2 Operating responsibly and ethically with cognisance of climate and nature-related challenges
- 3 Partnering with our clients and philanthropy partners to maximise positive impact
- 4 Providing profitable, impactful and sustainable, products and services
- 5 Advocating for industry alignment and best practice.

Our sustainability framework (cont...)

Our sustainability enablers

Where we focus our resources and activity

Living sustainably

within our operations, through our policies, processes, risk practices and reporting.

Partnering with clients

by promoting sustainability practices that positively contribute to the SDGs.

Aligning our community initiatives

with our SDG priorities to maximise impact in education, entrepreneurship and the environment.

Engaging through advocacy

through group participation in a number of memberships and industry alliances.

How we are embedding sustainability into our business strategy

We leverage the expertise of our team and the wider group in advisory, lending and investing to support our clients and stakeholders to achieve our joint sustainability ambitions.

Our policies and practices:

- Environment and climate change statement
- Biodiversity statement
- Operational resilience statement
- Procurement statement
- Fossil fuel policy
- Defence policy
- The way we do business policy
- Sustainable and Transition Finance Classification Framework.

We perform ESG screening when onboarding new lending and deposit clients.

- Leveraging Group specialist skills in advisory, lending and investing to support clients' sustainability ambitions
- Partnering with our clients to transition towards a net-zero world.

- Creating education and learnership opportunities within our communities through the programmes we sponsor
- Preserving biodiversity through our conservation efforts and greening our communities.

- Using the strength of our brand to educate and promote sustainable thinking
- Working with industry to ensure policy coherence
- Active participation through Group in UN Global Compact (UNGC), UN Global Investors for Sustainable Development (GISD), UN Principles for Responsible Investment (UN PRI), United Nations Environment Programme Finance Initiative (UNEP FI), BASA, PCAF and other forums
- Signatories of UNEP FI and the UN Principles for Responsible Banking (UN PRB).
- Member of the Bank of Mauritius Task Force on Climate-related and Environmental Financial Risks

Investec Group is a member of the

Net-Zero Banking Alliance (NZBA),

This alliance brings together banks worldwide, which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050. Combining near-term action with accountability, this ambitious commitment sees signatory banks setting an intermediate target for 2030 or sooner, using robust, science-based guidelines.

Investec Bank (Mauritius) Limited - Climate and nature-related commitments and ambitions

Climate

100%

of **Scope 2 energy** sourced from **renewables** through the purchase of renewable energy certificates

Carbon neutral

within our **own operations** by 2027

Net zero by 2050

as part of our commitment to the **Net Zero Banking Alliance**

Zero coal

exposure in our loan book

1.8%

lending to fossil fuels as a % of gross core loans and advances (\$23mn)

March 2023: 3.2% (\$36mn)

Zero appetite

for limited recourse project financing to new thermal coal mines, regardless of jurisdiction

Nature

Investec Group signed up to the Partnership for Biodiversity Accounting Financials

(PBAF)

to assess and disclose our impact and **dependencies on biodiversity** within our loans and investments

Released a **public statement**

on Investec Group's **commitment** to biodiversity



[Refer to the Group biodiversity statement on our website](#)



Our positioning on climate change and nature preservation

Climate change



Within our operations, we are committed to achieving carbon neutrality by 2027. We have been sourcing 100% of our Scope 2 energy requirements from renewables through the purchase of renewable energy certificates.

Our strategy is to harness the expertise within Investec Group and identify opportunities to maximise impact. We do this by partnering with our clients and stakeholders to support ambitious delivery of the SDGs and build a more resilient and inclusive world.

In addition, we have measured our Scope 3 financed emissions in our most material asset classes and will track our progress towards our ambitions of being net-zero by 2050.

One of the greatest socio-economic and environmental impacts we can have is to partner with our clients and stakeholders to accelerate a cleaner, more resilient and inclusive world. Our environmental policy considers the risks and opportunities that climate change presents to the global economy. We support the transition to a net-zero carbon economy while realising that this might take time due to socio-economic constraints.

We embrace our responsibility to understand and manage our own carbon footprint and achieve carbon neutrality within our direct operations and commit to net-zero emissions within our financing activities by 2050.

We support the Paris Agreement's aim of limiting the increase in the global average temperature to well below 2°C compared to pre-industrial levels and pursuing efforts towards limiting it to 1.5°C.

We have an important role to play in terms of advocacy and collaboration.

Nature and biodiversity



Biodiversity is the foundation of all that sustains our world and society, which is critical for addressing climate action (SDG 13) and reduced inequalities (SDG 10), our two impact SDGs. This is fundamental to the sustainable success of our business.

Our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment, and society.

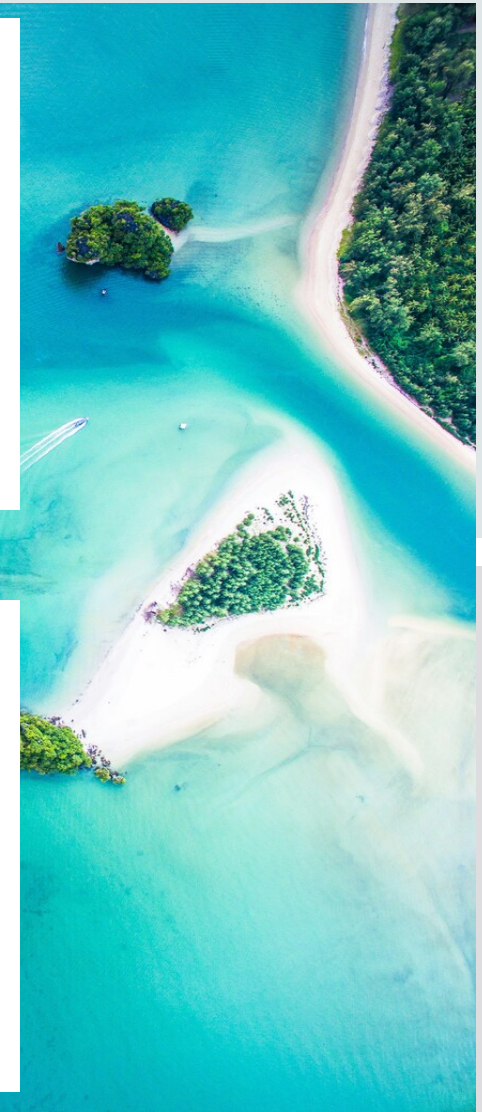
We acknowledge that we are exposed to multiple types of biodiversity-related risks through our activities. There is a clear link between climate change and biodiversity loss and achieving the SDGs for these go hand-in-hand. Healthy, biodiverse, and resilient ecosystems play a key role in preventing disruption to society and the markets within which our business operates. We recognise the need to conserve biodiversity, ecosystems and living organisms, and as such adopt a precautionary approach for sustainable management of biodiversity in all decision-making processes.

Investec plays an important role in funding a sustainable economy that is cognisant of the world's limited natural resources.

We aim to align our objectives and approach to biodiversity with:

- Native Terrestrial Biodiversity and National Parks Act 2015 (No. 14 of 2015) (enacted by the Parliament of Mauritius)
- PBAF standard.

In addition, Investec Group is a founding member of the African Natural Capital Alliance (ANCA), a collaborative forum for mobilising the financial community's response to the risk of nature loss in Africa. The Group also signed up to the PBAF that will enable us to assess and disclose our impact and dependencies on biodiversity.



Sound corporate governance is implicit in our values, culture, processes, functions and organisational structure. Our values require that directors and employees behave with integrity, displaying consistent and uncompromised moral strength in order to promote and maintain trust.

In this chapter

Responsibility of the Board

Responsibility of Board appointed committees

Group CE responsibility

Management role

BOM reference

Para. 26

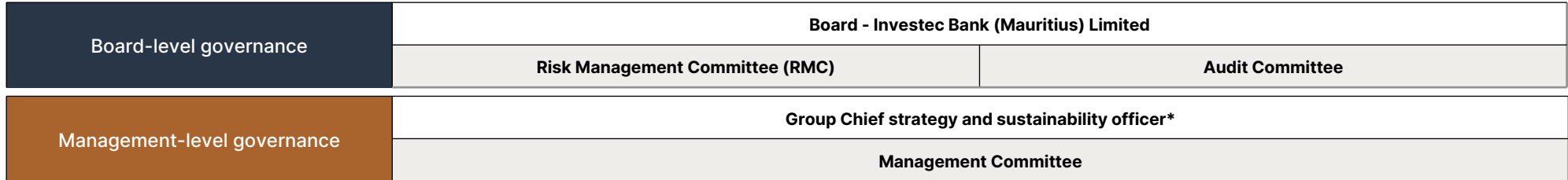
Governance

03

Climate and nature-related matters (including ESG) through an integrated approach

Our approach to climate change and preventing nature loss is integrated across our Board, executives, management and business

We are guided by our climate change and biodiversity statements and policies on environmental and social risk. Climate and nature-related risk considerations are integrated into a multidisciplinary, bank-wide management process.



* Investec Bank (Mauritius) Limited outsources the climate and nature-related functions to the Group Sustainability team.

1a Responsibility of the Board

Main responsibilities

The Board oversees the Bank's response to climate change and the prevention of nature loss. The Board is supported by the management team to manage climate and nature-related risks and opportunities. The Board is responsible to embed climate and nature-related considerations into the company's strategy, and operations, ensuring effective risk management and promoting transparent reporting.

Board meetings

The composition of the Board has been designed to ensure that we have the appropriate mix of knowledge, skills, experience and diversity to provide the range of perspectives and insights needed for decision-making to support the delivery of the Bank's strategic objectives.

All members have received training to foster a deeper awareness and understanding of climate-related and sustainability matters (including ESG). The Board met four times during which pertinent climate-related and sustainability matters (including ESG) were raised and discussed.

Information and escalation channels

Climate and nature-related matters are escalated to the Board through the Risk Management Committee and management.

Monitoring and oversight

Our climate-related goals are set at an operational level with the overarching commitment to achieve carbon neutral within our operations (Scope 1 and 2 and operational Scope 3) by 2027. The Board has received written and verbal updates on climate and nature-related matters throughout the year.

Key achievements for 2023/2024

Alignment with Group in terms of policies and processes.

Oversee compliance with the new regulatory requirements on climate-related and environmental financial risk management.



Refer to the [Investec fossil fuel policy](#) on our website

Focus areas for 2024/2025

Strengthen the Board members' knowledge and education on climate and nature-related matters.

Inform the strategic direction for climate and nature initiatives and alignment with the Group strategy.

Responsibility of Board-appointed committees

Risk Management Committee (RMC)

Main responsibilities	Committee meetings	Information and escalation channels	Monitoring and oversight	Key achievements for 2023/2024	Focus areas for 2024/2025
<p>The role of this committee is to provide independent oversight over the range of risks facing the business. This function is performed by considering the risk reports presented and questioning whether actions taken by management are appropriate. Pertinent sustainability, climate and nature-related matters are discussed as and when matters arise.</p> <p>The RMC oversees and signs off on the Bank's risk management policies.</p>	<p>The committee comprises Executive and Non-Executive members, with the composition designed to provide the breadth of risk expertise and commercial acumen to fulfil their responsibilities.</p> <p>All the members have a solid awareness of climate-related and sustainability matters (including ESG).</p> <p>The committee met four times during the financial year ended 31 March 2024 where members were informed of climate-related matters (including ESG).</p>	<p>The RMC receives feedback from the assurance functions where the risks of the Bank are addressed, which includes risks relating to sustainability, climate and nature-related matters.</p>	<p>The committee receives confirmation from management that credit decisions considered financial risks from climate change and that these decisions are being documented.</p>	<p>Stronger focus on sustainability, climate and nature-related matters, specifically relating to increased reporting requirements from stakeholders.</p> <p>Regular feedback from the relevant teams on climate and nature-related matters.</p> <p>Development and upskilling of RMC members on climate and nature-related topics.</p>	<p>Increase engagement on climate and nature-related goals and targets.</p>

Audit Committee

Main responsibilities	Committee meetings	Information and escalation channels	Monitoring and oversight	Key achievements for 2023/2024	Focus areas for 2024/2025
<p>The role of this committee is to consider the appropriateness of financial and non-financial disclosures and provide oversight on compliance to climate-related reporting regulations.</p> <p>The committee also considers the level of assurance provided by group external audit on climate and nature risk related disclosures made in the annual report.</p>	<p>The committee met four times during the financial year ended 31 March 2024 and considered climate-related matters and sustainability matters (including ESG).</p>	<p>The committee receives regular updates from the Assurance Functions on the latest regulatory and disclosure requirements.</p> <p>The inherent risks posed by climate-related matters were discussed.</p>	<p>The committee reviews the assurance provided by various stakeholders relating to climate risk.</p>	<p>Stronger focus on sustainability, climate and nature-related matters, specifically relating to increased reporting requirements from stakeholders.</p> <p>Development and upskilling of members on climate and nature-related matters.</p>	<p>Consider developments with regards to climate and nature-related disclosure guidance by the International Sustainability Standards Board (ISSB).</p>

Group Chief Executive (CE) accountability

Main responsibilities	Committee meetings	Information and escalation channels	Key achievements for 2023/2024	Focus areas for 2024/2025
The Group CE, Fani Titi, takes ultimate executive accountability for all climate and nature-related matters (including ESG).	The CE is informed of climate and nature-related risks and opportunities through the Chief Strategy and Sustainability Officer, the Group ESG Executive Committee and the Dual Listed Company (DLC) Social and Ethics Committee (SEC), of which he is also a member. He also receives written feedback through the board reports.	The CE is part of the DLC SEC and DLC Board Risk and Capital Committee (BRCC) which monitor and oversee climate-related goals and targets.	<p>Strengthened the Group Executive team's knowledge and education on climate and nature-related matters.</p> <p>Informed the strategic direction for climate and nature initiatives and alignment with the Group strategy.</p>	<p>Monitor progress on the Group's net-zero ambitions.</p> <p>Continue with industry engagement on climate and nature-related matters.</p>

Management role

Climate and nature considerations are integrated into a multidisciplinary, bank-wide management process throughout the Bank. We see management as active participants in the mitigation and management of climate and nature-related risks and opportunities.

We continue to diligently fulfil our responsibilities in relation to climate and nature-related financial risks. A robust risk management framework, supported by Investec Group policies, has been adopted to effectively address these risks. Regular reviews are conducted to assess the effectiveness of our framework, policies, tools, and controls, ensuring their continuous enhancement.

To maintain transparency and accountability, we provide periodic reports to the board on climate and nature-related financial risks. These reports cover potential risks, opportunities, and the effectiveness of our framework. We place significant emphasis on clearly defining the structures responsible for managing climate and nature-related financial risks.

Additionally, we prioritise training and capacity development plans for our staff and directors to enhance their awareness and understanding of these risks.

We proactively address material climate and nature-related financial risk issues, ensuring that appropriate actions are taken promptly. Our commitment to fulfilling all regulatory expectations showcases our dedication to responsible management and our proactive stance in addressing climate and nature-related financial risks.

Our achievements include:

- Member of the Bank of Mauritius Task Force on Climate-related and Environmental Financial Risks.
- Our directors, our management team and our people completed training on sustainability.
- Alignment with the Group on climate related matters and adoption of Group policies.
- Implementation of the requirements of the Bank of Mauritius as per the Guideline on climate-related and environment financial risk.

Strategy

“

Humankind has not woven the web of life. We are but one thread within it. Whatever we do to the web, we do to ourselves. All things are bound together ... all things connect.

”

Chief Seattle

In this chapter

Strategy for climate and nature-related financial risks and opportunities

Net-zero strategy

BOM reference

Para 27 (i)&(ii)

VO4



Strategy for climate and nature-related risks and opportunities

Sustainability is part of our core strategy, and we believe there needs to be a balance between economic and financial imperatives, the needs of society and their combined impact on the environment.

Climate-related risks

We see climate risk as a material risk associated with rapidly changing weather events (physical risk) or market shifts as a result of regulatory and policy changes (transition risk). As a result these risks can manifest themselves differently, for example, gradual shifts in market preferences, or rising sea levels. Moreover, climate risk presents both a physical and transition risk across all time horizons. We expect that over a longer period these risks may have a greater impact on Investec, and while the majority of Investec's lending is short to medium term, we maintain long-term relationships with our clients, and hence we need to continually assess the impact of longer-term climate-related risks.

Across all time horizons climate change can be both a primary and secondary driver of physical and transitional risk. Extreme weather events, or changing climate patterns may render some operations in various industries impossible e.g. changing precipitation patterns may mean current farm land becomes barren (primary driver of risk). Climate change could also reduce profitability in certain sectors e.g. rising sea levels means the demand for coastal housing is less popular (secondary driver of risk).

Physical risk

Climate-related physical risks can be event-driven (acute) such as extreme weather events, or longer-term shifts (chronic) such as changes in climate patterns that may have financial implications for our business.

Mauritius is increasingly concerned about the impacts of climate variability as it is frequently affected by tropical cyclones and other forms of extreme weather eg.heavy rainfall, tidal surges, swells, dry spells, and floods posing significant risks. This is due to interactions between the ocean and the atmosphere.

Additionally, the rising sea levels associated with global warming threaten to exacerbate coastal erosion and flooding, further increasing the vulnerability of Mauritius' infrastructure and ecosystems.

Transition risk

Transition risk can occur when markets shift towards a low-carbon economy due to regulatory changes, new technologies, and business models. These shifts can impact the value of our assets or investments. Transitioning to a zero-carbon economy requires significant changes in policy, law, technology, and markets to address climate change mitigation and adaptation. The speed and nature of these changes can pose financial and reputational risks of varying degrees. Mauritius is committed to enhancing its resilience and transitioning to a low-emission pathway. The Climate Change Act (CCA) 2020 was introduced to improve national climate governance and make Mauritius a climate change-resilient and low-emission country. The CCA 2020 aligns with the provisions of the Paris Agreement until 2030.

Nature-related risks

Nature-related risks are defined as the potential threats posed to an organisation linked to its and wider society's dependencies on nature and nature impacts. These can derive from physical, transition and systemic risks. We expect that over a longer period these risks may have an impact on Investec.

Physical risk

Physical risks arise when natural systems are compromised, due to the impact of climatic events (e.g. extremes of weather such as a drought), geologic events (e.g. seismic events such as an earthquake) events or changes in ecosystem equilibria, such as soil quality or marine ecology, which affect the ecosystem services we depend on. We will assess our nature-related physical risk in the future as the methodologies mature.

Transition risk

Nature-related transition risks are risks that result from a misalignment between our strategy and our investors, and the changing regulatory, policy or societal landscape in which we operate. We will assess our nature-related transition risk in the future as the methodologies mature

Systemic risk

Nature-related systemic risks are characterised by modest tipping points combining indirectly to produce large failures and cascading interactions of physical and transition risks, one loss triggers a chain of others and stops systems from recovering their equilibrium after a shock. We will be analysing the probability, scope and impact of this risk over the next 2 – 3 years.

Climate and nature-related opportunities

Climate and nature-related opportunities are realised through the interconnected nature of our business, the economy, the environment and society, where we play a critical role in funding a sustainable economy that is cognisant of the world's limited resources. The UN SDGs provide a solid framework for us to assess, align and prioritise our activities. We harness the expertise at Group and identify opportunities to maximise impact by partnering with our clients, investors and various stakeholders to support delivery of the SDGs and build a more resilient and inclusive world.

We embrace our Group Sustainable and Transition Finance Classification Framework that aligns with the SDGs. This framework is used as a guiding document to support sustainable financing practices. It also outlines our approach for classifying and managing sustainable financing activities and instruments within our businesses.

Investec chose to specifically focus on two SDGs, reducing inequality (SDG 10) and climate action (SDG 13), as this is where we feel our skills and expertise as a business can make the most impact. Working towards these two SDGs guides our strategy and provides a solid framework for us to assess, align and prioritise our activities.

Net-zero strategy

The Bank acknowledges that climate change is material and poses significant risks and opportunities, including its ability to generate value for stakeholders over time. The Investec Group recognises and supports the aims of the Paris Agreement goals. Together with the Group, we are united in our commitment to achieving net-zero emissions by 2050.

Channels of impact

Investec's ambition to achieve net zero by 2050, in line with our commitment to the Net Zero Banking Alliance, is following a strategic approach through **three channels of impact**

1 Meeting our fossil fuel commitments

Aligned to the double materiality matter identified - climate change

2 Driving sustainable and transition finance activities

Aligned to the double materiality matter identified - energy transition finance

3 Influencing and advocating for our clients and suppliers to effectively pursue decarbonisation

Aligned to the double materiality matter identified - scope 3 financed emissions

Our aims are to:

- Achieve carbon neutrality within Investec Bank (Mauritius) Limited's operations by 2027
- Manage our financed emissions by limiting our exposure to carbon intensive industries
- Expand the scope and data quality to ensure our operations and financed emissions are materially complete and accurate.



We take a cautious and informed approach to industries that may have a negative impact on climate- and nature-related activities. We consider double materiality as a critical factor to inform our decisions. Our approach is a work-in-progress that will continually be enhanced.

In this chapter

Our climate and nature-related risk management framework

Our process for identifying and assessing climate and nature-related risks

Climate and nature-related risk management

Process for identifying, assessing and managing climate and nature-related risks

BOM reference

Para 28



Risk management

Our climate and nature-related risk management framework

Our climate and nature-related risk management framework follows the recommendations set out by the TCFD and Taskforce for Nature-related Financial Disclosures (TNFD) using the four pillars of governance, strategy, risk management, and metrics and targets.

Governance

Board of Directors

The Board has the accountability to monitor how well the Bank is operating locally as a responsible organisation. This includes considerations around climate and nature-related risks and opportunities when reviewing its strategy.

Board-appointed committees

The Board is supported by various Board-appointed committees responsible inter alia for addressing climate and nature-related risks and opportunities. These include:

- Risk Management Committee
- Audit Committee.

Group oversight

The DLC Board is ultimately responsible to monitor how the Group is operating as a responsible organisation. The DLC Board is supported by the following DLC Board appointed committees contributing in their specialised capacity to climate and nature-related risks and opportunities:

- DLC Social and Ethics Committee (DLC SEC)
- DLC Board Risk and Capital Committee (DLC BRCC)
- DLC Audit Committee
- DLC Remuneration Committee.

Management responsibility

- Group Chief Strategy and Sustainability Officer
- Investec Bank (Mauritius) Limited- Management Committee

Publicly available policies and statements

- Group environmental policy and climate change statement
- Group biodiversity statement
- Group operational resilience statement
- Group Sustainable and Transition Finance Classification Framework.

Strategy

Climate and nature-related business opportunities and risks are incorporated within our strategy by:

- Acknowledging the urgency of climate change and by ensuring our approach is aligned to the Paris Agreement
- Acknowledging the clear link between climate change and biodiversity loss, and our impact through our activities on healthy, biodiverse, and resilient ecosystems
- Minimising our direct negative carbon impacts and committing to achieve carbon neutrality by 2027
- Investing in products, services and businesses that help accelerate the transition
- Supporting our clients to minimise their climate and biodiversity impact and help accelerate their impact
- Engaging with stakeholders to inform our climate and biodiversity strategy as it evolves
- Actively participating in industry discussions to ensure an aligned and comprehensive approach.

Risk management

Our approach to managing the risks relating to climate and nature-related matters is continually evolving as we improve our understanding of this complex and interconnected risk. We are also aware of the enormity of the challenge with many improved tools and resources becoming available as this area of risk evolves.

Compliance and screening

- We identify climate and nature-related risks by integrating sustainability considerations into our day-to-day operations
- We assess climate and nature-related risks and whether they are being prevented, managed or mitigated to ensure responsible lending and investing.

Risk management

- We see climate risk as a material risk associated with rapidly changing weather events (physical risk) or market shifts as a result of regulatory and policy changes (transitional risk), or the risk from climate change breaches of underlying legal frameworks (litigation risk).

Environmental management

- We leverage off Group's environmental management system to manage our direct carbon impact
- We screen our suppliers to assess responsible sourcing of natural resources and encourage behaviour that supports our carbon neutral focus.

Business opportunities

- We use our specialist skills at Group in advisory, lending and investing to support clients' sustainability ambitions
- In partnership with Group, we collaborate on financing infrastructure solutions that promote renewable and clean energy
- Through our Group approach to the SDGs, we can accelerate sustainable finance that supports a net-zero carbon transition.

Metrics and targets

- We have committed to net-zero financed emissions as part of the Net-Zero Banking Alliance
- We have committed to achieving carbon neutrality in our direct operations by 2027
- We follow the recommendations set out by the TCFD, TNFD and the regulatory guidance

Investec supports international best practices regarding the responsibility of the financial sector in financing and investing in transactions. Social, environmental, and ethical risk considerations are implicit in our values, culture and code of conduct, and are applied as part of our risk framework.

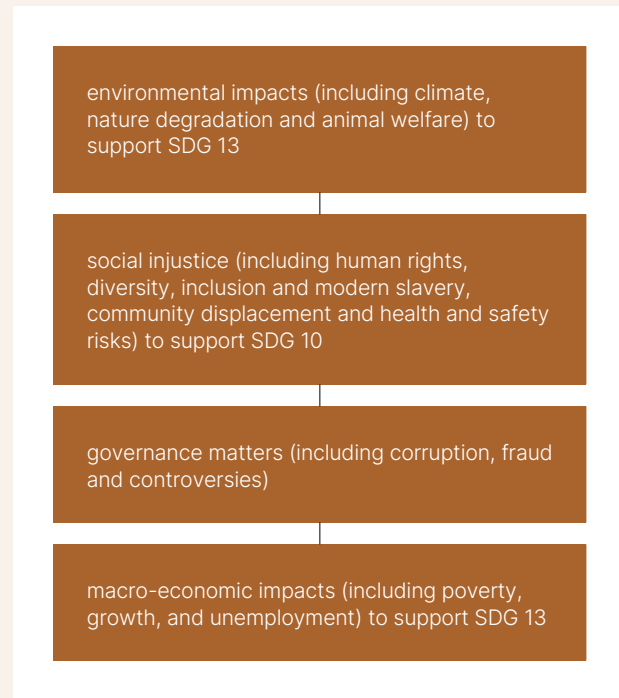
Our approach to managing the risks from climate change is continually evolving as we improve our understanding of this complex and interconnected risk. We are also aware of the enormity of the challenge of navigating through continuously changing methodologies.

The Board has ultimate accountability to ensure that the Bank is operating as a responsible corporate. Through its various sub-committees, the Board has performed a robust assessment to identify principal and emerging risks. Regular reporting of these risks is made to senior management, the executives and the RMC.

➔ Refer to pages 8 to 11 in our governance section.

Our process for identifying and assessing climate and nature-related risks


Our purpose is to create enduring worth. This speaks to our determination to minimise and prevent lending, investing, or dealing with counterparties where potentially unmitigated environmental, climate and nature-related degradation might occur. Environmental, nature, climate-related and broader sustainability considerations are implicit in our values, culture and code of conduct and are applied as part of our environmental, nature and climate-related risk frameworks. We assess sustainability risks as part of the credit committee's evaluation of lending or investment decisions. This includes additional due diligence for transactions that fall into the high-risk ESG category (as defined by the IFC), which involves a comprehensive review by the Group sustainability team. This review identifies any potential risks relating to:



If the Group sustainability team flags the transaction as a high concern issue, it will be escalated to IBL, IBP, or Group ERC before any credit or investment decision is made. Moreover, the DLC SEC and IBM RMC are informed of any transactions identified as high concern issues.

We continue to support international best practices regarding the responsibilities of the financial sector in financing and investing in transactions. We support a precautionary approach to environmental, nature, climate-related and broader sustainability matters. As such, these risk considerations are integrated into multidisciplinary, bank-wide management processes throughout the Group and are managed within our lending and investment portfolios. We have an environmental policy and climate change statement, a biodiversity statement, a fossil fuel policy and a policy on environmental and social risk practices for both our lending and investment activities. We include detailed guidance for certain high-risk industries.

Screening for possible adverse climate and nature-related impacts is performed in both our lending and deposit taking activities. We will not onboard a client that does not comply with our Group environmental policy and climate change statement, biodiversity statement, or with our fossil fuel policy.

 [For more information on our Group environmental policy and climate change statement, click here](#)

Climate and nature-related risk management

Climate change is seen as both a business opportunity and a risk. Therefore, our strategy is informed by the following climate change considerations:

01

Support the Paris Agreement goals and acknowledge the urgency of climate change

02

Support our clients as they transition their business operations and offerings

03

Minimise our direct negative carbon impacts and commit to ongoing carbon neutrality

04

Engage with stakeholders to inform our climate strategy as it evolves

05

Invest in products, services and businesses that accelerate the transition

06

Actively participate in industry discussions to ensure an aligned and comprehensive approach



Climate and nature-related risk management continued

Business and employees

Our employees

During the past year we have built climate-related and sustainability skills throughout the organisation by rolling out sustainability foundations module to all employees. We provide in person development to teams where required on climate and nature-related and sustainability risks and opportunities through our Group credit college. We also have an ESG guideline handbook that is available to assist all staff in assessing nature, climate-related and sustainability risks. We believe that when our employees have the adequate knowledge and skills within our business, they can act as the first line of defence in identifying climate-related risks. During the financial year ended March 2024, our employees were given the opportunity to join in various training sessions and presentations relating to climate and nature-related matters.

ESG systems integration

We continue to enhance our screening process across both our lending and deposit taking activities. The Group is looking to automate this process. Transactions are classified according to the World Bank International Finance Corporation (IFC) guidelines into high, medium and low risk.

High risk: Proposed funding or investment is likely to have significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented without mitigation.

Medium risk: Proposed funding or investment is likely to have limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Low risk: Proposed funding or investment is likely to have minimal or no social or environmental impacts. This largely relates to services, consulting, training and education, trading, retail sales, etc.

ESG screening team

Once a transaction has been identified as being in a high-risk industry, these activities go through a comprehensive due diligence process performed by the Group Sustainability team.

In depth analysis is done by the team to:

- Assess the alignment of the transaction with our climate-related and sustainability (including ESG) policies
- Ensure there is no contravention of our ESG screening requirements or zero-tolerance activities (refer to page 21)
- Assess the client's ambitions towards net-zero pathways
- Assess ESG ratings by globally accredited bodies (e.g. CDP, Sustainalytics)
- Assess public reporting on climate-related and sustainability (including ESG) matters and impacts
- Assess disclosures in line with the GRI and TCFD
- Assess alignment with the UN SDGs
- Assess any other publicly available information around their contribution to, and positive/negative impact on ESG aspects
- Investigate any media controversies or reputational issues facing the client involved.

For each high-risk transaction, an ESG opinion is provided by the Group Sustainability team for consideration by our credit committees.

Management level

Credit committee

Climate and nature-related risks are considered on a case-by-case basis as part of the credit process and forms part of the general credit discussion. The credit committees will reject any high-risk transaction that is not accompanied by an ESG opinion. Based on the findings in the ESG opinion, discussions around the risk and risk mitigation measurements are taken into account.

- Risk mitigation: Any risks will be assessed against the clients' policies and appropriate mitigation actions that have been put in place

- **Risk appetite:** We take a cautious and informed approach to industries known to have adverse biodiversity, environmental and climate change impacts. We have a Board-approved risk appetite framework where significant exposures to industries are monitored and limited.
- At 31 March 2024, we were within our risk tolerance level. In addition, our biodiversity statement, environmental policy and climate change statement, and fossil fuel policy are approved by the Board annually.

Executive level

In addition to the IBM RMC's involvement the DLC ESG Executive Committee and the DLC SEC also provide oversight on climate and nature-related and sustainability matters. The Group ESG Executive Committee, mandated by the Group's Executive Directors reports relevant material climate and nature-related and sustainability matters to the DLC SEC and Group ERC. The main objectives of the committee are to coordinate these efforts across geographies and businesses.

Engaging with clients

We believe that our most significant impact on the environment and climate change is through our lending and investment activities. We leverage off Group's specialist skills in the advisory, lending and investing businesses to support clients and stakeholders to move as quickly and smoothly as possible towards a net-zero carbon economy. Our Sustainable and Transition Finance Classification Framework supports our sustainable financing practices. The framework outlines the approach for classifying and managing sustainable financing activities and instruments.

We engage with our clients on sustainability issues to minimise the risks and require clients to meet appropriate technical, governance, transparency, social and environmental standards.

For example:

- as part of our client onboarding process, we assess potential clients for various risk profiles, including responsible business behaviour and their activities
- climate and nature-related and sustainability risks are identified and assessed as part of transaction due diligence processes
- their operational activities are assessed for compliance with relevant environmental, health and safety, and labour rights regulations
- we regularly review sensitive sectors and activities prone to bearing environmental and social risks.

Engaging with our supply chain

Our procurement statement incorporates standards on human rights, labour rights, environmental and anti-corruption principles as set out in the UN Global Compact. We encourage our employees to promote responsible and inclusive procurement practices and to manage the related environmental, social and ethical impacts. Currently, all our suppliers go through an onboarding process. This onboarding process uses a screening platform that calculates the risk level for each supplier which will determine the level of due diligence required. This includes cybersecurity, business continuity, operational resilience, screening for climate and nature-related and sustainability and ethical policies.

Climate and nature-related risk management continued

Climate and nature-related risk management

Any transaction that falls within a high-risk sector as defined by the IFC, goes through a rigorous ESG screening process. This screening process considers risk avoidance, mitigation, acceptance and risk control and reporting.

Risk avoidance

Investec Group fully applies the key provisions of the Equator Principles (EP). We are not currently a signatory due to the low number of transactions that Investec has in non-designated countries. All transactions done in non-designated countries are EP monitored and compliant.

→ Refer to the 2024 Group sustainability report on our website for more information

With regards to climate and nature-related risk, **we will not engage in activities:**

	Climate change	Nature
That negatively impact high conservation value areas and UNESCO world heritage sites (for example any national park)	✓	✓
That involve projects in environmentally high-risk areas, for example but not exclusively related to, tar sands exploitation, Arctic drilling, and deforestation or drilling in the Amazon rain forest	✓	✓
Where environmental and social risks are not being managed, including but not exclusively: water use, wastewater management, air emissions, solid waste, spill response/clean-up operations, site restoration and community/stakeholder management	✓	✓
That are in contravention of any international and/ or local laws and conventions of the countries where Investec or our counterparties operate	✓	✓
That involve illegal wildlife trade or wildlife products regulated under Conventions on International Trade in Endangered Species of wild fauna and flora (CITES)		✓
That do not respect human rights, and do not respect the rights of local communities and indigenous peoples where it impacts our natural assets	✓	✓
That do not include a site rehabilitation plan where relevant to restore land to a usable state	✓	✓
That use driftnet fishing in the marine environment, with nets longer than 2.5km in length		✓
In addition, we have limited appetite for activities relating to the production, use of/trade in pharmaceuticals, pesticides/ herbicides, chemicals, ozone-depleting substances and other hazardous substances, that are subject to international phase-outs or bans.		

Risk mitigation

We acknowledge that the financial risks from climate change present unique challenges and require a strategic approach to financial risk management.

Within our climate risk mitigation approach, we will:

- Assess that appropriate risk mitigation policies are put in place by our clients
- Consider and discuss climate and nature-related aspects as part of the risk appetite annual review process.

Risk acceptance

Our risk acceptance considers the importance of various industries, including the energy sector, for the global economy. We have a global business and facilitate transactions in both the developed and developing world with varying economic, social and environmental contexts. We need to find a balance between the need for increasing energy access and economic growth (particularly in South Africa) and the urgency to reduce carbon emissions across all areas of operation. Consequently, we will be cautious and orderly in our approach to this transition, which is not solely focused on the next decade but rather 20, 30 and 40 years ahead. As such, when assessing our participation in all fossil fuel activities, we will ensure we consider a variety of financial, socio-economic and environmental factors relevant to a local context (for example poverty, growth, unemployment and carbon impact). This transition cannot be done in isolation from the realities of the communities in which we, and our clients operate, and we welcome the voice of all stakeholders as we make the move together to a cleaner, net-zero carbon economy, in a way that is most responsible and conducive within the context for our stakeholders.

Processes for identifying, assessing and managing climate and nature-related risks

Our approach to integrating climate and nature-related risks within our risk management structures are evolving as our knowledge on this subject increases. The Board and senior management acknowledged that climate risk is a principal risk that could potentially impact the safety and soundness of individual financial institutions and have broader financial stability implications for the banking system. We are making steady progress in integrating and embedding climate-related risks within our risk management processes to capture the complexities, uncertainties, and interconnected consequences as well as the enormity of this critical component. Regarding biodiversity, our Group biodiversity statement is publicly available, and we fully embrace its principles. We acknowledge that we are exposed to multiple types of biodiversity-related risks through our activities. There is a clear link between climate change and biodiversity loss and achieving the United Nations Sustainable Development Goals for these go hand-in-hand.

Healthy, biodiverse, and resilient ecosystems play a key role in mitigating the impacts of climate change and ultimately preventing disruption to society and the markets within which our business operates. We recognise the need to conserve natural ecosystems, and as such adopt a precautionary approach for sustainable management of biodiversity in all decision-making processes.

With regards to our approach on the integration of **climate-related** risks we:

- Have included climate-related risks within our risk appetite framework
- Mirrored our governance, strategy and risk management processes to follow the recommendations of the TCFD
- Acknowledged the impact of fast-moving climate-related regulations within our various geographies
- Engaged with executives and our Board on various climate-related topics.

With regards to our approach on the integration of **nature-related** risks we have:

- Mirrored our governance, strategy and risk management processes to follow the recommendations of the TNFD
- Acknowledged that this is a fast evolving topic and where possible we need to be transparent in our disclosures when methodologies are put into practice
- Acknowledged that we still need to familiarise ourselves with this complicated topic to disclose meaningful information to our stakeholders.

Social, environmental and ethical risk considerations are implicit in our values, culture and code of conduct and are applied as part of our ESG risk framework

The Bank supports the precautionary approach to ESG and strives to minimise and prevent investing in projects or dealing with counterparties where potential and unmitigated environmental degradation might occur. We recognise that identifying and quantifying environmental risk should be part of the normal process of risk assessment and management within our business. We engage with our clients on climate, nature, and sustainability-related matters to minimise the risks and require clients to meet appropriate ESG technical and reporting standards.

→ Refer to page 9 in our governance section for our integration between committees and forums

Appendix

06

Policies

We support the precautionary approach to environmental management. We strive to minimise and prevent investing in projects or dealing with counterparties where potential and unmitigated environmental degradation might result. Identifying and quantifying environmental risk is embedded within business risk assessments and management processes.

Group public policies and statement

- Environmental policy and climate change statement
- Biodiversity statement
- Procurement statement
- Operational resilience statement
- Fossil fuel policy
- The way we do business policy.

Group internal policies

- Environmental and social risk practices for both our lending and investment activities.



Abbreviations

ANCA	African Natural Capital Alliance	ISSB	International Sustainability Standards Board
AWG	Aviation Working Group	kg	kilogram
BEV	battery electric vehicle	kgCO₂e	Kilograms carbon dioxide equivalent
BOM	Bank of Mauritius	kl	kilolitre
BRCC	Board Risk and Capital Committee	km	kilometer
CDP	Formerly known as the Carbon Disclosure Project	kWh	Kilowatt-hour
CE	Chief Executive	l	litre
CITES	Conventions on International Trade in Endangered Species of wild fauna and flora	m²	Square meter
CO₂	Carbon dioxide	mn	Million
CO₂e	CO ₂ equivalent	MW	Megawatt
CRE	Commercial real estate	MWh	Megawatt-hour
CSRD	Corporate Sustainability Reporting Directive	NZBA	Net-Zero Banking Alliance
DLC	Dual listed company	PBAF	Partnership for Biodiversity Accounting Financials
DLC BRCC	DLC Board Risk and Capital Committee	PCAF	Partnership for Carbon Accounting Financials
DLC SEC	DLC Social and Ethics Committee	RMC	Risk Management Committee
ERC	Executive Risk Committee	RRE	Residential real estate
ESG	Environmental, social and governance	SDGs	Sustainable Development Goals
EU	European Union	t	Tonnes
EY	Ernst & Young	TCFD	Taskforce on Climate-related Financial Disclosures
GHG	Greenhouse gas	tCO₂e	Tonnes carbon dioxide equivalent
GISD	Global Investors for Sustainable Development	TNFD	Taskforce for Nature Related Financial Disclosures
GRI	Global Reporting Initiative	UN	United Nations
HELOCs	Home equity lines of credit	UN PRB	United Nations Principles for Responsible Banking
HELs	Home equity loans	UN PRI	United Nations Principles for Responsible Investment
IBL	Investec Bank Limited	UNEP FI	United Nations Environment Programme Finance Initiative
IBP	Investec Bank plc	UNGC	UN Global Compact
IFC	International Finance Corporation	zaRecs	South African Renewable Energy Certificates
IFRS S1	IFRS - General Requirements for Disclosure of Sustainability-related Financial Information		
IFRS S2	IFRS- Climate related disclosures		

TCFD Recommendations

07

This section references the transitory public disclosure requirements as recommended by the Bank of Mauritius with respect to climate-related risks and environmental financial risks and where in this report the required disclosures can be found.

Pillar	Requirement	Page reference
Governance (paragraph 26)	Financial institutions shall disclose their governance process regarding climate-related and environmental financial risks. This shall include roles and responsibilities of	
	• the board and	Page 9
	• senior management	Page 11
Strategy (paragraph 27)	Financial institutions shall disclose:	
	• their strategy for climate-related and environmental financial risks; and	Pages 13 and 14
	• the climate-related and environmental financial risks and opportunities which have been identified	Pages 13 and 14
Risk management (paragraph 28)	Financial institutions shall disclose their climate-related and environmental risk management framework	Page 16 to 21

