



— OUT OF THE ORDINARY

Investec's commitment to biodiversity

Last updated | June 2023



1. Introduction

Investec's stated purpose is to create enduring worth, living in society, not off it. We believe that purpose is the foundation to our actions. Purpose affects how we treat others, how we do what we do, and the impact we have on people and our planet.

Biodiversity is the foundation of all that sustains our world and society. We therefore acknowledge that addressing climate action - Sustainable Development Goal (SDG 13) and inequality (SDG 10) 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. Investec plays an important role in funding a sustainable economy that is cognisant of the world's limited natural resources and promotes carbon reduction.

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

- The National Environmental Management: Biodiversity Act, 2004 in South Africa
- The Environmental Bill 2021, in the UK

In addition, we are founding members 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. We have also signed up to the Partnership for Biodiversity Accounting Financials (PBAF) that will enable us to assess and disclose our impact and dependencies on biodiversity loans and investments.

2. Approach to biodiversity

We acknowledge that we are exposed to multiple types of biodiversity-related risks through our activities. There is a clear link between climate change ([refer to our environmental policy and climate change statement on our website](#)) 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 preventing disruption to society and the markets within which our businesses operate. 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.

Within the Specialist Bank:

In principle, **we will not engage in activities that:**

- Are in contravention of any international and/ or local laws and conventions of the countries where Investec or the counterparties operate
- Negatively impact high conservation value areas and UNESCO world heritage sites, for example any national park
- Involve illegal wildlife trade or wildlife products regulated under CITES
- Involve projects in environmentally high-risk areas, for example, but not exclusively related to, tar sands exploitation, Arctic drilling (fossil fuel extraction is banned in the Antarctic), and deforestation or drilling the Amazon rain forest

- Do not respect human rights, and do not respect the rights of local communities and indigenous peoples where it impacts our natural assets
- Do not include a site rehabilitation plan where relevant to restore land to a usable state
- Do not manage environmental and social risks, including, for example (but not exclusively) water use, wastewater management, air emissions, solid waste, spill response/clean-up operations, site restoration and community/stakeholder management
- Use driftnet fishing in the marine environment with nets more than 2.5km in length.

We have limited appetite for activities relating to:

- 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.

We are committed to:

- Integrating biodiversity considerations within our lending and investing decisions, as part of our ESG due diligence process, ensuring we have the required environmental compliances in place
- Using our specialised skills in advisory, lending and investing to support our clients and stakeholders to both reduce negative impacts and enhance biodiversity enrichment
- Monitoring, minimising and mitigating the direct environmental impacts and risks of Investec's daily operations
- Understanding our impact and reliance on the natural resource ecosystems within which Investec operates
- Following international best practice recommendations such as the guidance from the Taskforce for Nature-Related Financial Disclosures
- Encouraging our suppliers to preserve biodiversity through:
 - operating in compliance with applicable environmental laws and regulations of the countries in which they operate, manufacture, or conduct business
 - maintaining an effective environmental policy and/or environmental management system that supports environmental protection ([refer to our procurement statement on our website](#)).

Within Wealth & Investment (W&I):

W&I subscribes to the Code for Responsible Investing in South Africa (CRISA) and the UK Stewardship Code. We are also a signatory of the United Nations Principles for Responsible Investment (UN PRI). Our policy and related frameworks incorporate both the CRISA, the UK Stewardship Code and UN PRI principles in defining our governance and stewardship responsibilities.

Our research team incorporates ESG factors into its investment analysis as standard across all asset classes and for direct equities this is strengthened using Sustainalytics, a global leader in ESG research and risk metrics. Sustainalytics measure land use and biodiversity where it is material to a company which would impact their headline score. In

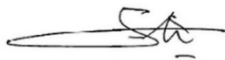
addition for direct equities, alignment to the UN Sustainable Development Goals, including SDG 14 Life Below Water and SDG 15 Life on Land, is assessed using third party data provider Institutional Shareholder Services (ISS).

3. Commitment to preventing illegal wildlife trade

We are committed to reducing the negative effects on biodiversity through addressing financial crimes related to illegal wildlife trade (IWT) and sharing resources and intelligence to support global efforts to combat IWT. We are signatories to the United for Wildlife Financial Taskforce and play a leading role in the South African chapter of United for Wildlife.

In South Africa, we use our business skills and resources, partnering with our peers, law enforcement and our conservation network, to disrupt financial flows associated with IWT. We are leading an expert working group as part of the South African Anti-Money Laundering Integrated Taskforce (SAMLIT) and actively participating in joint financial investigations in IWT through SAMLIT.

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