

# Investec to fund coal until 2030

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Investec Group will fund coal projects for another seven years in South Africa, while its UK subsidiary will end all coal financing exposure in 2027, it said on Friday.



Source: Reuters.

Activists and environmentalists have criticised South African banks - among the biggest on the continent - for continuing to fund fossil-fuel projects, in contrast to many of their global peers.

But the lenders have said they have to balance the continent's developmental goals with the effects of fossil fuels on the environment.

Investec is "taking a cautious approach due to the needs and dependency of a developing economy on fossil fuels," it said in its climate report published on its website on Friday, 30 June.

It said its UK operations Investec Plc would have zero coal in its loan book by March 31, 2027, and its South African operations under Investec Ltd would hit the same target by 31 March, 2030.

The bank has already stopped all limited recourse project financing to new thermal coal mines, regardless of jurisdiction, it said.

Investec has said it will respond to questions on its climate report in July.

Typically, banks prefer full recourse to limited recourse, which limits ability to recoup loans by seizing assets of a borrower beyond what is written in the loan contract.

South Africa, the world's 14th biggest emitter of greenhouse gases, has committed to net zero emissions by 2050.

But its dependence on ageing coal-fired power plants and a huge and profitable coal-mining industry - a major source of government taxes - complicate efforts to achieve the target.

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