

Message from our executives



“Purpose matters. It affects how we treat others, it affects how we do what we do, and it affects the impact we can have in life on people and the planet. Investec has always been a purpose-driven organisation but each of us has to embrace that purpose and hold each other to account on the purpose that we all share.”

Fani Titi, Chief Executive

Our purpose

Investec is deeply invested in creating enduring worth for all our stakeholders. Acting in the interests of the communities in which we operate, and the planet we all inhabit, is integral to our long-term success. To this end, we have looked to the United Nations (UN) Sustainable Development Goals (SDGs) and identified where we are best positioned to contribute by virtue of our operating model and core geographies. While we have much work to do, I'm encouraged by the progress we've made this year in both of our key impact SDGs: climate action and reducing inequalities.

Sustainability strategy

With the endorsement of executive and senior leadership, we assessed our sustainability and positioning with the Group's purpose and growth aspirations. The outcome was a commitment to apply a sustainability lens to everything we do with the aim of ensuring a cleaner, resource rich, inclusive world. From a wealth perspective, the protection of wealth encourages its creation and is essential for economic prosperity.

Environment: As a multi-national financial services company with a strong brand and influence in our markets, we have a fundamental obligation to address the urgent issue of climate change. Our potential impact is greatest where we partner with our clients to help decarbonise their operations. We joined the Net-Zero Banking Alliance at the end of 2021, committing to specific and measurable targets that challenge us to direct financial flows towards positive outcomes for our planet and society.

Our Wealth & Investment business signed up to Climate Action 100+, an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. We further developed the scope and scale of environmental, social and governance (ESG) considerations in terms of our business responsibility and sustainable investment opportunities. Our submission to the UK Stewardship Code was approved which will enhance our credibility as we amplify our ESG offering for clients in the year ahead, including the launch of a Global Sustainable Equity Fund.

We are proud to have achieved carbon neutrality for the fourth consecutive year and continue to source 100% of our Scope 2 emissions from renewable energy sources through purchasing renewable energy certificates. We remain a player in financing renewable and clean energy, with our Power and Infrastructure team investing in projects around the world and extending this expertise to other areas of our business.

Net-zero ambitions: We have embarked on a focused project to understand our Scope 3 financed emissions and establish a baseline, strategy and targets to reach net zero. More detail on this is available in the Investec Group's 2022 climate-related financial disclosures report on our website. As much as we believe we have improved our transparency and level of disclosure, we acknowledge that the transition to net zero is exceptionally challenging.

An important aspect of our approach to reaching net-zero emissions, is a deliberate focus on managing our fossil fuel exposures and increasing our financial infrastructure



“The companies that will thrive in the near future are recognising that they are part of a living system and operate ‘in the world,’ not ‘off the world.’ They see themselves as interdependent with the planet and society. People, profit and planet will no longer be seen as separate elements in business strategies, but rather as inherently entangled and symbiotic.”

Marc Kahn,
Global Head of People & Organisation

solutions that promote renewable and clean energy. Over the past year, we have seen an increase in our total fossil fuel exposures as a result of an increase in our oil exposures in South Africa and our natural gas exposures in the UK as we move away from coal. Our fossil fuel exposure increased to 1.99% of core loans and advances (2021: 1.92%) and our coal exposure was 2.74% of our total energy lending portfolio (2021: 4.00%). We are encouraged to report that coal as percentage of core loans and advances reduced last year to 0.10%, from 0.17% in March 2021. We may face fluctuations in these positions from one year to the next as we navigate this transition but it demonstrates our overall commitment to transitioning in a just and orderly way.

Governance: Investec remains an active participant in the SDGs. We have chosen to focus on specific goals where the business can have the most impact, namely reducing inequalities and climate action – issues that are also particularly close to my own heart. I am firmly of the view that the SDGs provide a framework and a call to action for any company that is serious about contributing towards a more equitable and sustainable future, and Investec is determined to play its part. Our ethos of living in, not off society, will keep these critical goals top of mind in all we do, ensuring that we continue to go far beyond the requirements of regulations and corporate governance codes.

We are working hard to weave ESG considerations into our business strategy and our day-to-day activities. Our Group ESG Executive Committee's mandate is to align sustainability activities across the organisation, while focusing on the many business opportunities within our priority SDGs. We also created a framework to link the remuneration of executive directors to ESG key performance indicators (KPIs).

We continue to participate in many industry initiatives as reported on pages 136 to 144.

Our efforts from the past 20 years of positioning Investec as a responsible corporate were recognised through our inclusion in a number of world-leading indices such as the MSCI ESG ratings where we score in the

top 1%

in the financial services sector, and Sustainalytics where we score in the

top 13%

of all globally assessed companies.

Social – People and culture: Three years ago, Investec transitioned from a founder-led business to an entrepreneurial professional management team. The success of this transition is testament to the strength of our organisational culture. Throughout the journey, the spirit of apprenticeship within our organisation came to the fore, deepening the bedrock of talent that underpins our competitive advantage.

Investec has long embraced the benefits of a flexible work environment and we welcome recent advances in remote interaction technologies. As we look ahead to the exciting possibilities of a post-pandemic workplace, we will continue to hone and articulate a hybrid employee value proposition that attracts the best people in the world.

Our aspiration for a more equitable and sustainable world should be embodied first and

foremost in our internal culture and values, and we believe that learning is a powerful tool for redress wherever potential has been deprived of opportunity. Our learning and development spend increased from 1.3% to 1.6% of staff costs and we expect this to grow further in the year ahead.

In South Africa, we continued our support of the Youth Employment Service (YES) initiative, providing young South Africans with valuable paid work experience, as well as the Startup School, which offers mentorship and opportunities to entrepreneurs. We have also added an online component to our flagship Promaths initiative which helped ensure that the learners got the support they needed with 93% of Promaths matriculants achieving a university pass. In the UK, we continue our 14-year partnership with Arrival Education, supporting young people from challenging backgrounds and minority ethnic groups through programmes which encourage social mobility.

Social – Belonging, inclusion and diversity: We continue to play a meaningful role in the fight for racial and gender equality in both of our core geographies. In the UK, we remain committed to the Race at Work Charter, pledging to further improve equality of opportunity in the workplace, while our UK wealth business joined the #100 Black Interns initiative, which works to transform the prospects of black people in the UK through paid work experience and training opportunities.

In South Africa, we retained our credentials as a Level 1 contributor to broad-based black economic empowerment.

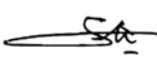
In South Africa and the UK, we reduced our gender pay gap for the fourth consecutive year, with planned strategies and actions to drive the increase of female representation at senior

levels. For the first time this year we voluntarily disclosed our ethnicity pay gap with our mean gap being 12.9% in Investec Bank UK and 20.7% in Investec Wealth & Investment UK.

From a Board perspective, we had a 36% representation of women on the board and 43% persons of colour, measured in terms of the Parker Review metrics. The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense, and we look forward to the strong diversity and ESG skills that the new appointments will bring to the Board.

Since its founding in 1974, Investec has been a forward-looking, optimistic organisation. This drive to contribute to a better future for all our stakeholders enables us to be an agent for change. Now, more than ever, we are invested in transformational growth, creating enduring worth wherever we operate.

The material information relating to our sustainability efforts is included throughout the 2022 Investec Group's integrated and strategic annual report. This report expands on the integrated and strategic annual report and provides additional information as required by our many ESG stakeholders regarding our performance and progress in terms of the UN Global Compact's Ten Principles, how we are integrating sustainability and ESG into our activities, and the opportunities in relation to the SDGs.



Fani Titi
Chief Executive



Marc Kahn
Global Head of People & Organisation