

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

 **Introduction**

We are committed to supporting the transition to a clean and energy-efficient economy.

Our commitment to the environment and climate change includes:

- Our climate change position statement
- Our climate change framework
- Managing and mitigating climate change impact within our operations (direct impact)
- Addressing climate change risks within our business (ESG risks)
- Addressing climate change within our supply chain.

Our approach to climate change supports the transition to a cleaner, more energy-efficient and sustainable global economy that is conscious of its use of limited natural resources. The greatest impact we can have on climate change (SDG 13) and life on land (SDG 15) is through our business contributions to SDG 6, SDG 7, SDG 9 and SDG 11.

Through our commitment to our environment, we contribute to the following SDGs:



Investec plays a **critical role in funding a sustainable economy** that is cognisant of the world's limited natural resources and promotes carbon reduction

We recognise the **complexity and urgency of climate change** and therefore committed to ongoing net-zero carbon emissions within our direct global operations

We have a **very small direct carbon impact** due to our specialised business model that is not dependent on a branch network

The greatest impact we can have is to partner with our clients to decarbonise their activities and to offer products and services that help accelerate a cleaner, healthier world.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE



“The transition cannot be made 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, low-carbon world that is inclusive of all participants.”

Tanya dos Santos, Global head of sustainability



Maintained our B rating in the CDP

(industry average: C)



Disclosed a comprehensive fossil fuel policy. First bank in South Africa to include oil and gas in the policy



Achieved a 4 Star Green Star Rating through Green Building Council of South Africa for Investec Sandton



Achieved net-zero direct carbon emissions for the 2018/19 financial year and committed to ongoing carbon neutrality



Zero transactions in non-designated countries in the past year

Our climate change position statement

We recognise the complexity and urgency of climate change. Investec's environmental policy considers the risks and opportunities that climate change presents to the global economy. As a specialised financial services organisation, we have the opportunity to make a meaningful impact in addressing climate change.

We acknowledge the science behind climate change and support the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels, and of pursuing efforts towards limiting it to 1.5°C.

As such, we support the transition to a low-carbon economy whilst realising that this might take time due to socio-economic constraints. We have a global business and operate in both the developed and developing world with varying economic, social and environmental contexts. Our businesses use their specialist skills in advisory, lending and investing to support clients and stakeholders to move as quickly and smoothly as possible towards a low-carbon economy. We need to find a balance between the need for increasing energy access and economic growth, particularly in our South Africa business, 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. Therefore 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, such as poverty, growth, unemployment and carbon impact. The transition cannot be made 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, low-carbon world that is most responsible for all participants.

We also have an important role to play in terms of advocacy and collaboration and participate in a number of workshops and taskforce groups internationally which share learnings and promote a cohesive approach for the financial sector. Our CEO, Fani Titi, is one of 30 CEOs from around the world participating in the UN Global Investors for Sustainable Development (GISD) Alliance.

We are mindful of the potential climate risks when the economy restarts after COVID-19 and therefore stand firm in our commitment to clean energy investments as they will make the new economy a more sustainable one.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Climate change framework: transitioning to a low-carbon economy

Strategy

We see climate change as both a business opportunity and a risk. Therefore, our strategy is based on the following:

- Support the Paris Climate Agreement and acknowledge the urgency of climate change
- Minimise our direct negative carbon impacts and commit to ongoing carbon neutrality
- Invest in products, services and businesses that help accelerate the transition
- Support our clients as they transition their business operations and offering
- Engage with stakeholders to inform our climate strategy as it evolves
- Actively participate in industry discussions to ensure an aligned and comprehensive approach.

Governance

Board of directors

- At the highest governance level, the board has the ultimate responsibility to monitor that the group is operating as a responsible organisation
- This includes considerations around climate-related risks and opportunities when reviewing the group strategy
- The board is supported by the DLC SEC who are responsible for monitoring all the non-financial elements of sustainability.

Senior leadership

- We have a newly constituted Group ESG Executive Committee, which reports to the board and the DLC SEC and global executive on various ESG and climate-specific matters.

Publicly available policies and statements

- Environmental policy and climate change statement [click to view document](#)
- Fossil fuel policy [click to view document](#)
- Operational resilience statement. [click to view document](#)



Refer to page 12 in the Investec group's 2020 integrated annual report volume two for our risk management framework and our TCFD report on our website.

Management

Compliance and screening

- We identify climate risks by integrating ESG considerations into our day-to-day operations
- We assess climate risks and follow the 'do no harm' principle through screening to ensure responsible lending and investing.

Risk management

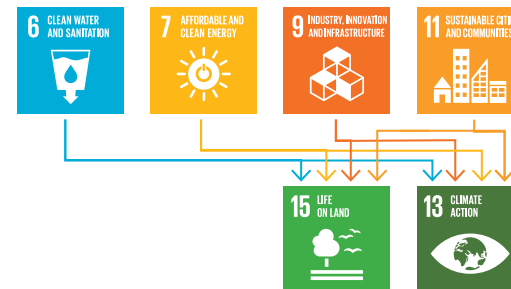
- We see climate risk as a material risk associated with rapidly changing weather events (physical risk) or market shifts as a result of regulatory and policy changes (transitional risk).

Environmental management (direct impact)

- We have an environmental management system to manage and limit our direct carbon impact
- We ensure responsible sourcing of natural resources and encourage behaviour that supports our carbon neutral focus.

Business opportunities (indirect impact)

- We use our specialist skills in advisory, lending and investing to support clients' sustainability ambitions
- We have a deliberate focus on financing infrastructure solutions that promote renewable and clean energy
- We partner with clients to finance water solutions
- Through our approach to the SDGs, we accelerate sustainable finance that supports a low-carbon transition.



Refer to pages 59 and 60 for more information.

Measurement

- We have set emission reduction targets
- We have committed to an ongoing net-zero direct carbon footprint
- We report in terms of the recommendations set out by the TCFDs
- We disclose our full energy lending portfolio including fossil fuel exposures across the group
- We include non-financial and ESG related targets within executive remuneration with a total weighting of 20% of short-term incentives and 25% of long-term incentives.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Managing and mitigating climate change within our operations (direct impact)

We embrace our responsibility to understand and manage our own carbon footprint.

Key achievements in FY 2020

- Achieved carbon neutral status across our global direct operations for emissions in the 2019 financial year
- Committed to ongoing carbon neutral emissions across all direct operations
- Achieved a 4 Star Green Rating through the Green Building Council of South Africa for our head office in Sandton
- We are monitoring progress in terms of procurement with the refurbishment of our head office in Sandton. All procurement targets as per the Financial Sector Code for this project have been met as at 31 March 2020.

Areas of focus for FY 2021 and beyond

- Evaluate sourcing operational energy requirements from renewable energy providers
- Review climate-related targets for executive remuneration.

The key focus areas to reduce our operational carbon footprint include:

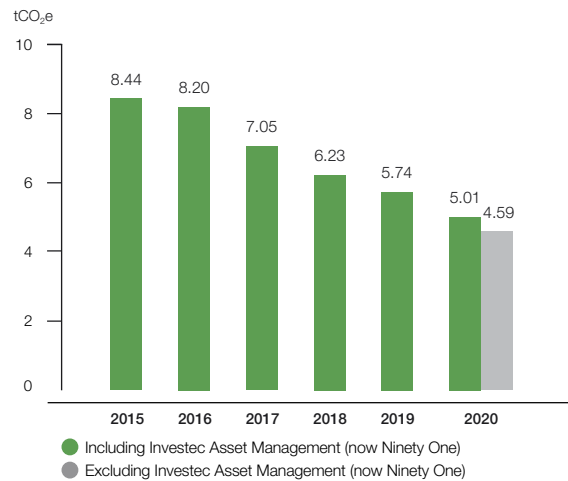
- Reducing energy consumption
- Reducing water usage
- Reducing overall waste
- Promoting sustainable procurement.
- Increasing waste recycling rates
- Promoting sustainable travel
- Reducing single-use plastic

Acknowledging that we cannot continue consuming natural resources at the current rate, we focus on ways to ensure the security of natural resources in all operations, draw energy from renewable sources where possible, and source only from responsible suppliers.

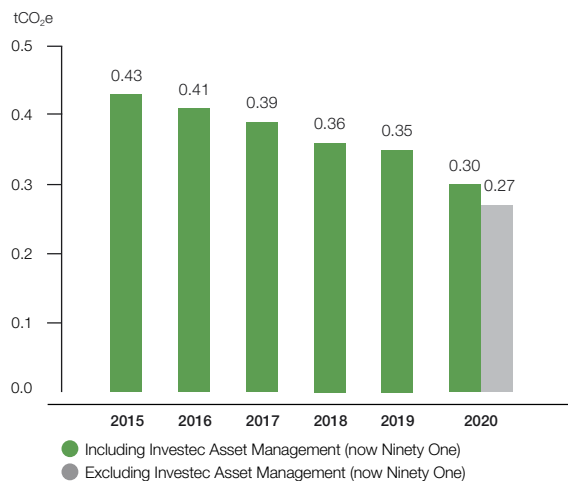
Breakdown of group emissions

Over the past six years, our intensity indicators have steadily declined. In particular, the group has reduced electricity consumption because of energy reduction initiatives, even though our average headcount increased by 27.4% over the same period.

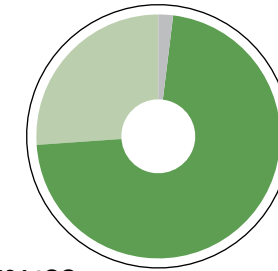
Emissions per average headcount



Emissions per m² office space



Group carbon footprint for the year ended 31 March 2020*^



40 564 tCO₂e

- 2% Scope 1
- 72% Scope 2
- 26% Scope 3

Scope 1 (993 tCO₂e emissions): There was a 41% reduction in our Scope 1 emissions due to the relocation of our UK head office in 2018 to more energy efficient offices, as well as the removal of all refrigerants that have ozone depletion potential.

Scope 2 (29 151 tCO₂e): There was a 10% increase in emissions due to the inclusion of our South African alternative disaster site energy consumption and the increase in the South African energy emission factor.

Scope 3 (10 420 tCO₂e): There was a reduction in business travel due to efforts to reduce the need to travel in our offices. These efforts have been further accelerated by the need to work remotely due to COVID-19.

* Resource consumption not reflected includes water of 91 346 kl (2019: 90 872 kl) and 600 tonnes of waste recycled (2019: 565 tonnes).

^ Excludes Investec Asset Management (now Ninety One).

Investec donated R600 000 to the Sabi Sand Pfunanani Trust in South Africa. The funds were used to grow indigenous woody trees and Spekboom in their nursery and assists Investec in reducing our historic carbon emissions. The trees were distributed to surrounding communities within the Sabi Sands Reserve.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Group carbon footprint

Our respective carbon footprints have been calculated according to the international Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard (revised edition). Our environmental data collection system allows us to track and manage our direct operational impact. This tool imports data from various sources, consolidates the information and calculates our carbon footprint. The implementation of this tool allows us to produce reliable emissions data, accurately build a history of our carbon footprint and assists in setting targets for future emissions. Every year we endeavour to improve the thoroughness of our data collection processes. Within each geography, the environmental manager is responsible for monitoring the GHG emissions.

Notes:

- Consumption decreased as our UK head office relocated to more resource efficient premises.
- Increase due to increased number of kitchens at our South African head office.
- No diesel replenished in the previous year, and all reserves used and replenished during this financial year.
- Investec is removing all refrigerants that have ozone depletion potential and continues to explore alternative options to minimise global warming potential. Installation refinements have also reduced refrigerant leaks resulting in reduced consumption.
- Investec ended its company car scheme which resulted in a number of vehicles being sold. This reduced kms in Scope 1, and increased road business travel in Scope 3.
- General waste increased as a result of enhanced data capturing, and the inclusion of additional sites.
- Increased as a result of enhanced data capturing, and reporting of business travel in personal vehicles.
- Expected increase in next financial year as we enhance our reporting to include travel with Uber and similar services.
- Decrease as a result of our continued effort to reduce the need to travel.
- Restated due to incorrect classification.

* Investec group including Investec Asset Management (now Ninety One).

** Includes permanent and temporary employees.

			31 March 2020		31 March 2020		31 March 2019			
			Investec ex. Asset Management (now Ninety One)		Investec group*		Investec group*		Variance tonnes of CO ₂ equivalent	Notes
Units			Consumption in unit of measure	Tonnes of CO ₂ equivalent	Consumption in unit of measure	Tonnes of CO ₂ equivalent	Consumption in unit of measure	Tonnes of CO ₂ equivalent		
Scope 1			993		1 132		1 901		(40%)	
Energy	Natural gas	kWh	949 625	175	1 291 318	237	1 609 702	296	(20%)	1
	LPG stationary	L	25 746	39	28 131	43	16 984	26	65%	2
	CO ₂ purchased	kg	281	–	307	–	306	–	2%	
	Diesel	L	137 934	358	150 709	391	2 341	6	>100%	3
Refrigerant	Refrigerant	kg	186	287	203	313	843	1 361	(77%)	4
Employee travel	Vehicle fleet	km	745 502	135	814 550	147	1 153 659	211	(30%)	5
Scope 2			29 151		32 396		29 598		9%	
Energy	Electrical energy consumption	kWh	33 207 457	29 151	38 150 060	32 396	39 048 367	29 598	9%	
Scope 3			10 420		18 979		27 361		(31%)	
Paper	Paper consumption	t	283	272	347	335	388	380	(12%)	
Waste	General waste	t	330	178	370	196	47	19	>100%	6
Employee travel	Rail travel	km	2 992 773	122	3 169 720	126	1 865 186	79	59%	
	Road business travel	km	2 653 807	470	2 786 060	493	1 254 882	227	>100%	7
	Taxi	km	121 168	18	180 805	29	215 981	35	(17%)	8
	Commercial airlines	km	30 209 739	9 359	57 090 789	17 800	86 559 177	26 622	(33%)	9
Total emissions			40 564		52 507		58 860		(11%)	
No scope										
Water	Water consumption	kl	91 346		102 531		103 450			10
Recycled waste	Recycled waste	t	600		774		895			
Intensity										
Emissions per average headcount			4.59**		5.01**		5.74**			
Emissions per m ² office space			0.27		0.30		0.35			
Water consumption per average headcount			10.33**		9.79**		10.09**			

Assessment parameters

Consolidation approach:	Operational control
Emission factor data source:	DEFRA (2019), IEA, eGRID (for New York electricity) and Eskom (for South Africa electricity)
Intensity ratio:	Emissions per average headcount Emissions per office space m ²
Independent assurance:	Limited assurance provided by KPMG for the years ended: 31 March 2019 and 31 March 2020
Coverage:	Coverage of environmental information covers > 95% of our business operations. Materiality set at 5%

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Environmental highlights for Southern Africa

Our South African head office in Sandton, set an energy reduction target of 10% with 2014 as a base year. We achieved our 2020 target in 2018 and revised it to 14%. In the past year, we reached a 15.9% reduction in energy since 2014 in our South African head office.

Our biggest energy consumption is still from air-conditioning systems (heating and cooling), lighting and information technology. During the last year, we spent approximately R500 000 on power management equipment, and consolidation and modernisation of electrical and air-conditioning infrastructure in our South African head office. In addition to the efficiencies gained through infrastructure improvements, consolidation and decommissioning activities in the data centre have resulted in further energy consumption reductions. As a result of these initiatives, the consumption figures for 2020 are 4.3% lower in our South African head office than 2019.

We achieved net-zero carbon emissions for the group in 2019 through the purchase of carbon credits and committed to ongoing carbon neutrality.

The Investec environmental sustainability team manages the group's internal environmental initiatives in South Africa. In the past year we ran awareness campaigns around recycling and waste, water and energy saving.



Our head office received a 4 Star Green Star Rating through the Green Building Council South Africa (GBCSA). The building is 15.2% more energy efficient than industry average, according to the GBCSA. This rating affirms Investec's commitment to reducing our operational footprint.

We distributed 5 200 Spekboom plants to our staff in our South African offices as an awareness initiative around carbon, since Spekboom is renowned for being one of the best carbon sequestrators in the world. The awareness campaign contributed to neutralising our carbon from the previous year.

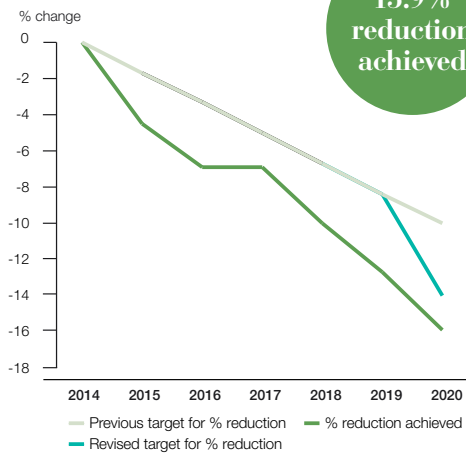
Investec offices joined millions of people across the world who switched off their lights for Earth Hour on Saturday, 28 March 2020 at 20:30, despite social containment measures.

Investec staff participate in an initiative called Tops and Tags whereby staff collect plastic bottle tops and bread tags. In the past year, we donated an additional three wheelchairs to worthy recipients, bringing the total wheelchairs donated to 48. As a result, we have prevented over 21 000kgs of plastic tags from polluting landfills.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Carbon footprint for Southern Africa

South African head office electricity reduction target



Our South African head office in Sandton, set an energy reduction target of 10% with 2014 as a base year. We achieved our 2020 target in 2018 and revised it to 14%. In the past year, we reached a 15.9% reduction in energy since 2014.

				31 March 2020		31 March 2020		31 March 2019			
				Investec ex. Asset Management (now Ninety One)		Investec Limited*		Investec Limited*		Variance tonnes of CO ₂ equivalent	Notes
Units				Consumption in unit of measure	Tonnes of CO ₂ equivalent	Consumption in unit of measure	Tonnes of CO ₂ equivalent	Consumption in unit of measure	Tonnes of CO ₂ equivalent		
Scope 1				818		894		1 604		(44%)	
Energy	LPG stationary	L	25 746	39	28 131	43	16 984	26	65%	1	
	CO ₂ purchased	kg	281	-	307	-	306	-	-		
	Diesel	L	137 934	358	150 709	391	2 091	5	>100%	2	
Refrigerant	Refrigerant	kg	186	287	203	313	843	1 361	(77%)	3	
Employee travel	Vehicle fleet	km	745 502	135	814 550	147	1 153 659	211	(30%)	4	
Scope 2				27 114		29 625		25 986		14%	
Energy	Electrical energy consumption	kWh	26 220 371	27 114	28 648 886	29 625	27 415 342	25 986	14%	5	
Scope 3				5 611		9 436		13 298		(29%)	
Paper	Paper consumption	t	142	133	155	145	132	124	17%		
Waste	General waste	t	295	173	322	189	22	13	>100%	6	
Employee travel	Road business travel	km	1 483 039	263	1 615 292	286	165 755	30	>100%	7	
	Commercial airlines	km	17 677 304	5 042	29 765 573	8 816	47 313 203	13 130	(33%)	8	
Total emissions				33 543		39 955		40 887		(2%)	
No scope											
Water	Water consumption	kl	81 148		88 664		82 273				
Recycled waste	Recycled waste	t	158		173		170			9	
Intensity											
Emissions per average headcount				6.96**		6.79**		7.19**			
Emissions per m ² office space				0.32		0.35		0.36			
Water consumption per average headcount				16.83**		15.07**		14.46**			

Notes:

- Increase due to increased number of kitchens at our South African head office.
- No diesel replenished in the previous year, and all reserves used and replenished during this financial year.
- Investec is aggressively removing all refrigerants that have ozone depletion potential and continues to explore alternative options to minimise global warming potential. Installation refinements have also reduced refrigerant leaks resulting in reduced consumption.
- Investec ended its company car scheme which resulted in a number of vehicles being sold. This reduced kms in Scope 1, and increased road business travel in Scope 3.
- Investec's alternative site has been included for completeness, which has resulted in an increase in kWhs. This, together with an increased Eskom emission factor, has resulted in an increased carbon output.

- General waste for our Sandton head office has been included resulting in the expected increase.
- Increase due to the inclusion of business travel in personal vehicles.
- Decrease as a result of our continued effort to reduce the need to travel.
- Restated due to incorrect classification.

* Investec Limited including Investec Asset Management (now Ninety One).

** Includes permanent and temporary employees.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Environmental highlights for UK and Other

Our UK head office's Environment Management System (EMS) covering the operational aspects of our building, and the Energy Management System (EnMS), covering energy management in 23 of our UK, Channel Island and Ireland buildings, retained certification to the international environmental standards ISO 14001 and the international energy standard ISO 50001 respectively.

Investec was invited by the City of London Corporation to be one of four of their launch partners in their Plastic Free City Pledge as a result of our long-established practices of replacing single use plastics with reusable alternatives in our operations. The Pledge responds to the major environmental problems associated with the over-use of single-use plastics, including disposal. We retained the highest-level Platinum Pledge.

Investec joined millions of people across the world who switched off their lights for Earth Hour on Saturday, 28 March 2020 at 20h30.

Our Team Green ran a week-long sustainable food campaign in our London office in July 2019. We hosted a sustainable food roadshow in our staff canteen, cooked up some healthy sustainable meals, and offered Investec-branded reusable takeaway cutlery to all staff. The campaign highlighted the benefits of buying local, seasonal, organic food; eating more plant-based food; reducing food waste; and refusing disposable food packaging.

We continue to encourage active travel among our staff and implemented cycle-to-work schemes.



Team Green hosted a sustainable fashion week in September 2019, which included a breakfast briefing, a panel discussion chaired by sustainable fashion experts, mend-and-repair kit giveaways to colleagues, and clothing donations to local charities focused on helping people get back to work. We collected a total of 860 clothing items from staff totaling 270kg of once-loved clothes to donate, most of which would have otherwise landed up in landfill.

We won our 16th Platinum Award in the City of London's Clean City Award Scheme in 2019 for our waste management efforts. Since we joined the scheme in 2005, we have won three Chairman's Cups, 14 Platinum Awards, and one Gold Award.

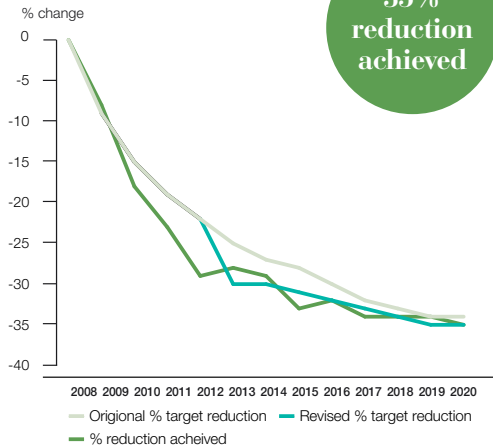
Investec, in collaboration with the environment charity Hubbub, Kings College London and a host of other London businesses, came together to push for public policy change in relation to air quality in London. Conducted through a focused public awareness campaign, 3 000 members of the public were polled to gauge their understanding of air quality issues. In addition, Emily Bernstein from our Private Bank was one of 10 Londoners who carried an air pollution monitor for 10 consecutive days, collecting results which were used as part of a wider air pollution campaign, #AirWeShare.

Our UK head office's waste management system was first certified to the Carbon Trust Waste Standard in 2012. We continue to hold this certification that is awarded to organisations that demonstrate achievement in managing and reducing waste output and improving resource efficiency.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

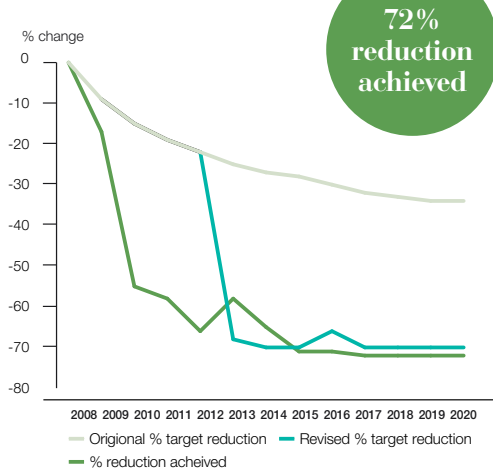
Carbon footprint for UK and Other

UK electricity reduction target



Our UK head office, set an electricity reduction target of 35% by 2020, with 2008 as a base year. This target was achieved and with the move to our new premises this target will be reviewed.

UK gas reduction target



Our UK head office, set a gas reduction target of 72% by 2020, with 2008 as a base year. This target was achieved and with the move to our new premises this target will be reviewed.

				31 March 2020		31 March 2020		31 March 2019			
				Investec ex. Asset Management (now Ninety One)		Investec plc*		Investec plc*			
				Consumption in unit of measure	Tonnes of CO ₂ equivalent	Consumption in unit of measure	Tonnes of CO ₂ equivalent	Consumption in unit of measure	Tonnes of CO ₂ equivalent	Variance tonnes of CO ₂ equivalent	Notes
Scope 1					175		237		297	(20%)	
Energy	Natural gas	kWh		949 625	175	1 291 318	237	1 609 702	296	(20%)	1
	Diesel	L		-	-	-	-	-	1	-	
Scope 2					2 038		2 771		3 612	(23%)	
Energy	Electrical energy consumption	kWh		6 987 086	2 038	9 501 174	2 771	11 633 024	3 612	(23%)	1
Scope 3					4 809		9 543		14 064	(32%)	
Paper	Paper consumption	t		141	139	192	189	256	256	(26%)	2
Waste	General waste	t		35	5	48	7	25	6	23%	3
Employee travel	Rail travel	km		2 992 773	122	3 169 720	126	1 865 186	79	59%	4
	Road business travel	km		1 170 768	207	1 170 768	207	1 089 127	197	5%	
	Taxi	km		121 168	18	180 805	29	215 981	35	(17%)	
	Commercial airlines	km		12 532 435	4 317	27 325 216	8 984	39 245 974	13 491	(33%)	4
Total emissions					7 021		12 551		17 972	(30%)	
No scope											
Water	Water consumption	kl		10 198		13 867		21 177			
Recycled waste	Recycled waste	t		442		601		725			
Intensity											
	Emissions per average headcount			1.75**		2.74**		3.94**			
	Emissions per m ² office space			0.15		0.20		0.33			
	Water consumption per average headcount	kl		2.54**		3.02**		4.64**			

Data has been gathered in line with requirements of the UK government's Streamlined Energy and Carbon Reporting (SECR) framework. We use the operational control method to determine what is included in our scope of reporting. The UK's GHG report is the same as our footprint report, and covers energy usage across our UK and Other offices.

Notes:

- Consumption decreased as our UK head office relocated to more resource efficient premises.
- Less printing required due to an agile working environment.
- More spaces being reported on with the Investec Asset Management (now Ninety One) move to new offices.
- Increase in rail due to ordinary course of business and more rail used instead of commercial airlines.

* Investec plc including Investec Asset Management (now Ninety One).

** Includes permanent and temporary employees.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Addressing climate change risks within our business (ESG risks)

Investec supports international best practice regarding the responsibilities of the financial sector in financing and investing transactions. 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.

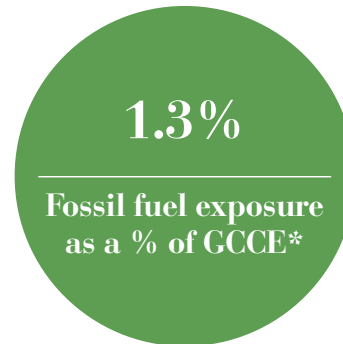
The group supports the precautionary approach to ESG and strives to minimise and prevent investing in projects or dealing with counterparties where potential and unmitigated environmental degradation might occur. The group recognises that identifying and quantifying environmental risk should be part of the normal process of risk assessment and management within businesses. We engage with our clients on sustainability issues in order to minimise the risks and require clients to meet appropriate technical, governance, transparency, social and environmental standards. For example:

- As part of our client on-boarding process, we assess, where appropriate, potential clients for various types of risks including whether they are behaving responsibly in their business activities
- ESG risks are identified and assessed as part of the transaction due diligence processes
- 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.

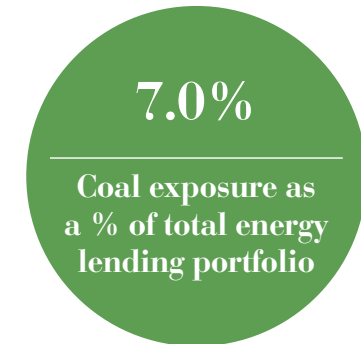
We follow the guidelines supplied by the IFC to categorise our general finance and lending activities into high, medium and low risk.

Fossil fuel exposures

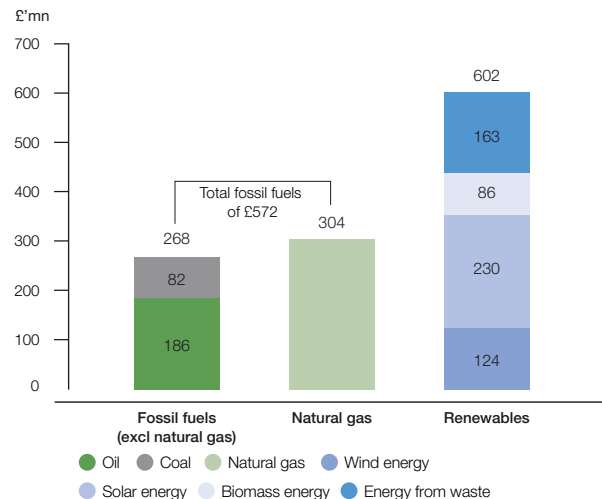
The transition to a low-carbon world cannot be done in isolation from the realities of the communities in which we, and our clients, operate. When assessing our participation in fossil fuel activities, we consider a variety of financial, socio-economic and environmental factors relevant to a local context (for example poverty, growth, unemployment and carbon impact). We apply prudent due diligence to all fossil fuel activities (including extraction, power generation, infrastructure and industrial processes) which go through rigorous process and require senior decision-making approval. Investec's appetite for this sector is reviewed annually at the executive risk appetite forum and the DLC SEC.



* Gross credit and counterparty exposure.



Energy portfolio in our banking book



- #### Key achievements in FY 2020
- Evaluated lending and investment portfolios for ESG risks
 - Evaluated lending and investment portfolios for climate-related risks and opportunities
 - Evaluated exposure to fossil fuels.

- #### Areas of focus for FY 2021 and beyond
- Strengthen capabilities in ESG identification, screening, measurement and reporting in risk management processes
 - Include climate metrics in risk appetite indicators.



Refer to our website for our group fossil fuel policy.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Investec plc banking book

The mix of the energy portfolio in our Investec plc banking book reflects the trajectory of the energy transition in developed countries. We have a global power and infrastructure business operating across the UK, Europe, the United States and Australia with a deliberate focus on financing solutions that promote renewable and clean energy.

Breakdown of total Investec plc energy portfolio:

- Coal: 2%
- Oil and gas: 4%
- Natural gas: 24%
- Renewables: 70%.

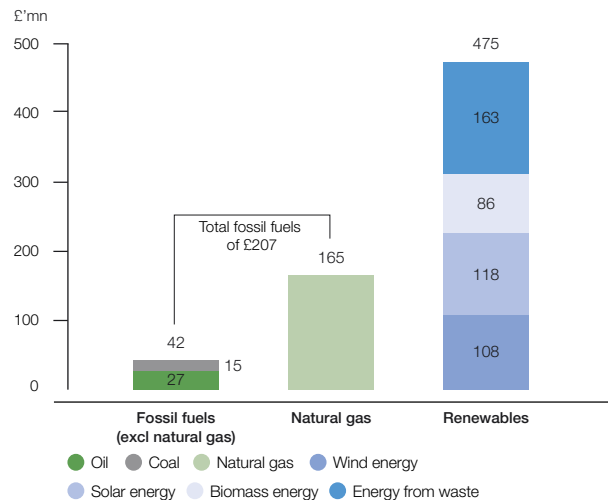
Investec Limited banking book

South Africa is significantly dependent on coal for its energy requirements, which makes it challenging to find a balance between the need for increasing energy access and economic growth in the country, and the urgency to reduce carbon emissions. The mix of our energy portfolio in South Africa reflects the trajectory of the country's energy transition. We see natural gas as part of this transition in the short-to-medium term as the country shifts away from coal and builds up renewable sources.

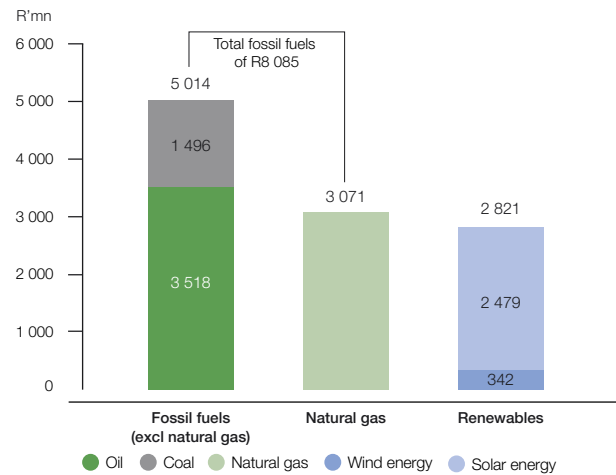
Breakdown of total Investec Limited energy portfolio:

- Coal: 14%
- Oil and gas: 32%
- Natural gas: 28%
- Renewables: 26%.

Energy portfolio for Investec plc



Energy portfolio for Investec Limited



In South Africa more than half of the coal exposure relates to domestic power supply. A third of our coal exposure relates to coal extraction counterparties supplying 80% of their coal to the domestic market.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Equator Principles

We fully support the key provisions of the Equator Principles (EP) however we are currently not a signatory to EP for the following reasons:

- In the case of a number of large infrastructure and energy projects, there is potential conflict between larger, nationwide development imperatives (e.g. additional power generation or road transportation) to enhance the socio-economic welfare of the region, and locally affected parties whose quality of life stands to be adversely affected by relocation or job loss
- These trade-offs are a matter for local parties and their representatives. While we should remain aware of them, it is not our responsibility to pass judgement on such trade-offs. Key to this, however, is that we target transactions in countries with established laws that comply with World Bank standards and that have due processes that are applied reasonably and effectively. If not, sponsors and suppliers are obliged to give undertakings and comply with such standards
- While the principles are adhered to, our current internal framework is robust and, on a project-by-project basis, in accordance with World Bank standards as well as the standards of the legal and environmental frameworks of the countries in which the projects are undertaken. Furthermore, we have enhanced procedures to evaluate and actively avoid, manage and mitigate the potential social and environmental impacts of the projects we support.

**Zero
transactions in
non-designated
countries in the
past year**

Equator Principles disclosures: power and infrastructure portfolio for Investec group (including Investec Limited and Investec plc)

	31 March 2020				31 March 2019				31 March 2018			
Sector	Category A	Category B	Category C	Total	Category A	Category B	Category C	Total	Category A	Category B	Category C	Total
Mining	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	3	2	5	-	-	2	2
Oil and gas	-	-	-	-	-	-	-	-	-	-	-	-
Power	-	5	3	8	-	14	3	17	-	6	2	8
Others	-	1	8	9	-	3	1	4	-	1	2	3
Total	-	6	11	17	-	20	6	26	-	7	6	13
Region												
Americas	-	4	3	7	-	10	1	11	-	5	1	6
EMEA	-	2	7	9	-	6	3	9	-	2	4	6
Asia Pacific	-	-	1	1	-	4	2	6	-	-	1	1
Total	-	6	11	17	-	20	6	26	-	7	6	13
Country designation												
Designated	-	6	11	17	-	19	6	25	-	6	6	12
Non-designated	-	-	-	-	-	1	-	1	-	1	-	1
Total	-	6	11	17	-	20	6	26	-	7	6	13

Category A: Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented;

Category B: Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and

Category C: Projects with minimal or no adverse environmental and social risks and/or impacts.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Addressing climate change within our supply chain

We expect our counterparties to operate and behave in an environmentally and socially appropriate and responsible manner with the same high standards as ourselves. We engage with clients and suppliers to understand their processes and policies and explore how any environmental and social risks may be mitigated.

Key achievements in FY 2020

- Strengthened our group procurement policy.

Areas of focus for FY 2021 and beyond

- Re-evaluate existing suppliers for environmental and social criteria according to our procurement policy.

Identifying and quantifying environmental and social risk is part of the normal process of risk assessment and management within our businesses. As part of our supplier onboarding process, we would assess potential suppliers for various types of risks, including whether they are behaving responsibly in their business activities. Our due diligence processes include the identification and assessment of relevant environmental and social risks. We remain committed to the ten principles of the UN Global Compact with respect to human rights, labour, environment and anti-corruption. Our culture and values demonstrate our belief that as an organisation we can have a positive impact on the success and well-being of local communities, the environment and overall macro-economic stability.

We support the international agenda to abolish human trafficking, slavery, forced and child labour and support the UK Modern Slavery Act 2015. Our philosophy as an organisation is to respect the dignity and worth of the individual. We recognise the potential for our procurement and supply chain practices to be agents for change in respect of the different aspects of sustainability. We continue to engineer, within selected industries, changed outcomes across economic, social and environmental fronts. In South Africa, we commit to local sourcing where possible.

We aim to evaluate our supplier's performance against our standards, as set out below, at least every three years.

We aim to only engage with suppliers who:

- Operate in compliance with all applicable environmental, labour and anti-corruption laws and regulations of the countries in which they operate, manufacture or conduct business
- Maintain an effective environmental policy and/or environmental management system that supports environmental protection
- Do not use any form of forced or involuntary labour
- Do not employ children
- Provide equal opportunity for all employees regardless of race, ethnicity, gender, nationality, age, disability, sexual orientation or religion
- Respect the rights of their employees to freely associate and collectively bargain within the boundaries of the applicable law
- Treat their employees with respect and dignity and provide a work environment free of harassment, intimidation and bullying
- Provide a safe and healthy working environment in order to prevent workplace accidents and injuries
- Do not engage in bribery, collusive practices or any other form of corruption to obtain or retain business
- Compensate their employees to meet basic living wage standards
- Protect their employees from excessive overtime and compensate their employees for overtime according to applicable national and international laws, regulations, collective bargaining agreements and individual employment agreements.



COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Environment dashboard

	31 March 2020	31 March 2019	Commentary	Reference
Fossil fuels and renewables in banking book (£'million)				
Total fossil fuel exposure	572	Not calculated	We apply prudent due diligence to all fossil fuel activities (including extraction, power generation, infrastructure and industrial processes) which go through rigorous process and require senior decision-making approval. Investec's appetite for this sector is reviewed annually at the executive risk appetite forum and the DLC SEC	This report: pages 53 and 54
Oil banking exposure	186	Not calculated		
Coal banking exposure	82	Not calculated		
Natural Gas banking exposure	304	Not calculated		
Renewable banking exposure	602	Not calculated		
Total energy portfolio	1 174	Not calculated		
Renewables exposure as a % of the energy portfolio	51%	Not calculated		This report: pages 53 and 54
Coal as a % of the energy portfolio	7.0%	Not calculated		
Oil and gas exposure as a % of the energy portfolio	16%	Not calculated		
Natural gas exposure as a % of the energy portfolio	26%	Not calculated		
Fossil fuels as a % of gross credit and counterparty exposures	1.3%	Not calculated		
Percentage of natural gas in fossil fuel exposure	53%	Not calculated		
Natural gas as a % of gross credit and counterparty exposures	0.7%	Not calculated		
Renewables as a % of gross credit and counterparty exposures	1.4%	Not calculated		
Carbon footprint				
Carbon neutral status in direct operations		✓	Based on 2019 emissions. Committed to ongoing carbon neutrality	
Emissions per average headcount	5.01	5.74		This report: pages 53 and 54
Emissions per average headcount (excluding IAM)	4.59	Not calculated		
Emissions per m ² office space	0.30	0.35		
Emissions per m ² office space (excluding IAM)	0.27	Not calculated		
Water consumption per average employee	9.79	10.09		
Water consumption per average employee (excluding IAM)	10.33	Not calculated		
Scope 1 emissions	1 132	1 901		
Scope 1 emissions (excluding IAM)	993	Not calculated	There was a 41% reduction in our Scope 1 emissions due to the relocation of our UK head office in 2018 to more energy efficient offices, as well as the removal of all refrigerants that have ozone depletion potential	
Scope 2 emissions	32 396	29 598		
Scope 2 emissions (excluding IAM)	29 151	Not calculated	There was a 10% increase in emissions due to the inclusion of our South African alternative disaster site energy consumption and the increase in the South African energy emission factor	
Scope 3 emissions	18 979	27 361		
Scope 3 emissions (excluding IAM)	10 420	Not calculated	There was a reduction in business travel due to efforts to reduce the need to travel in our offices. These efforts have been further accelerated by the need to work remotely due to COVID-19	

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Environment dashboard *(continued)*

	31 March 2020	31 March 2019	Commentary	Reference
Total emissions	52 507	58 860		This report: pages 53 and 54
Total emissions (excluding IAM)	40 564	Not calculated		
Total water consumption (kl)	102 531	103 450		
Total water consumption (kl) (excluding IAM)	91 346	Not calculated		
Equator Principles				
Number of transactions non-designated countries	–	1	As per the Equator Principles	This report: page 55