4

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Climate change

Our climate change responsibility extends to our business activities where we play a critical role in funding a sustainable economy that is cognisant of the world's limited natural resources.

Indirect impact through our business activities

Investec's environmental policy takes into account the challenges that climate change presents to the global economy. We believe that as a niched specialised financial services organisation, and given our positioning in the developed and emerging worlds, we can make a meaningful impact in addressing climate change. We recognise the complexity and urgency of climate change and welcome the voice of all stakeholders as we make this transition together to a cleaner low-carbon world in a way that is most responsible for all participants.

We also recognise the importance of various industries, including the energy sector, for the global economy. As a general principle, Investec will avoid providing funding to coal-fired power projects and will only consider funding under very strict acceptance criteria. We need to be cautious and orderly in our approach to this transition and ensure we assess a variety of socio-economic and environmental factors relevant to a local context (for example poverty, growth, unemployment and carbon impact). It cannot be done in isolation from the realities of the communities in which we, and our clients, operate.

Our climate change statement and environmental policy states that:

- We will consider any meaningful activity that reduces the negative impact, or prolongs life, on our planet
- We will avoid exposures to any transaction that involves undue damage to high conservation and/or protected environmental areas
- Internally, we embrace our responsibility to understand and manage our own carbon footprint. Our approach is to limit and minimise our direct carbon impact and create awareness to encourage positive sustainable behaviour. We will explore various opportunities as we work towards our ultimate goal of becoming carbon neutral in our operations
- Externally, we believe that the widest and most positive influence we can have is for our businesses to use their specialist skills in advisory, lending and investing to support our clients and stakeholders to move as quickly and smoothly as possible towards a low-carbon economy
- Where appropriate, we will share resources and intelligence to support global efforts to combat illegal wildlife trade. We are signatories to the United for Wildlife Financial Taskforce which leverages the existing global financial crime architecture to support efforts to combat illegal wildlife trade.

Highlights for the year

There were a number of substantive achievements in our ambition to transition to a low-carbon global economy:

- The group reviewed and strengthened its climate change statement and policy on funding coal projects
- Investec Asset Management (IAM) held their third internal Investment Sustainability Forum on climate change and launched a number of dedicated investment funds for investors who want to support and benefit from the transition to a more sustainable economic model
- The power and infrastructure finance team launched a renewable energy investment vehicle called Revego Africa Energy
- Both IAM and the group signed up to the United for Wildlife Financial Taskforce.

Section five of this report outlines the six SDGs that we have prioritised where we can maximise the socio-economic and environmental impact by coordinating and integrating activities across our businesses. We believe that our greatest impact on SDG 13 (climate action) and SDG 15 (life on land) will be made by prioritising the following three SDGs:

6 CLEAN WATER AND SANITATION **Refer to page 51**

7 AFFORDABLE AND CLEAN ENERGY **Refer to pages 53 to 56**

11 SUSTAINABLE CITIES AND COMMUNITIES **Refer to page 58**

13 CLIMATE ACTION

15 LIFE ON LAND

We recognise the risk of climate change and are committed to supporting the transition to a clean and energy-efficient global economy.

Climate change disclosure

Stakeholders are increasingly expecting greater non-financial disclosures. This includes disclosures on environmental and social impacts as well as benchmarking against our peers. The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) has gained more traction as the Prudential Regulation Authority has issued an updated supervisory statement clarifying expectations around climate-related disclosure requirements. We recognise and support the recommendations of the TCFD to report clear and consistent information and have expanded on our previous disclosure. This is the start of a long-term process to build a better understanding of environmental, social and governance (ESG) reporting and climate-related risks and opportunities and we will enhance our disclosure over time in line with industry guidelines and best practice.

Refer to pages 75 and 76 in volume two of the Investec group's 2019 integrated annual report.

Direct operational impact

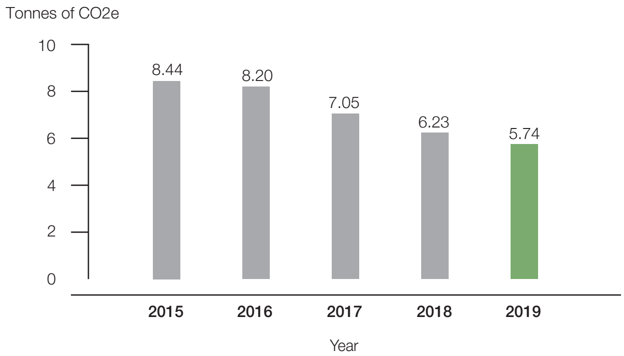
In recognising that we have a responsibility to understand and manage our wider carbon footprint, our approach is focused on limiting our direct operational impact and creating awareness to encourage positive sustainable behaviour.

The key focus areas to reduce our operational carbon footprint include:
- Reducing energy consumption
- Reducing water usage
- Reducing overall waste
- Reducing single-use plastic
- Increasing waste recycling rates
- Promoting sustainable travel
- Promoting sustainable procurement.

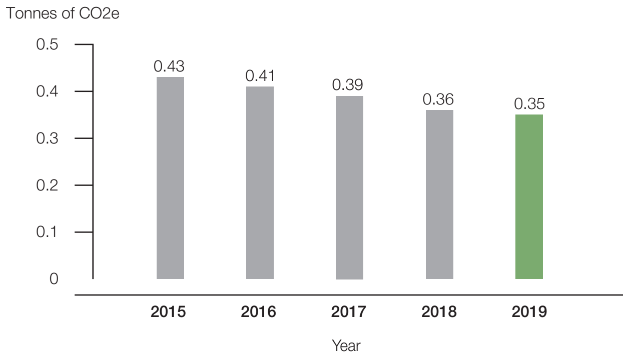
Acknowledging that we cannot continue consuming natural resources at the current rate, we focus on ways to ensure the security of natural resources in all our operations. We are therefore exploring various opportunities as we work towards our ultimate goal of becoming carbon neutral.

For example:
- Ensuring the security of natural resources in all operations
- Drawing energy from renewable sources where possible
- Offsetting business travel emissions
- Sourcing only from responsible suppliers.

Emissions per average headcount for the group



Emissions per m² office space for the group



Breakdown of group emissions

Over the past five years our intensity indicators have steadily declined, largely as a result of electricity and gas reduction initiatives, despite an increase in headcount.

2.8%

decrease in carbon emissions
(2018: 6.1%)

to 5.74 tonnes of CO2e

decrease in emissions per average headcount
(2018: 6.23 tCO2e)

to 0.35 tonnes of CO2e

decrease in emissions per m² office space
(2018: 0.36 tCO2e)

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.

			31 March 2019		31 March 2018			
		Units	**Tonnes of CO_2 equivalent**	**Consumption in unit of measure**	Tonnes of CO_2 equivalent	Consumption in unit of measure	Variance in tonnes of CO_2 equivalent	Notes
Scope 1			**1 901**		**2 168**		**(12.3%)**	
Energy	Natural gas	kWh	296	1 609 702	462	2 508 683	(35.9%)	1
	LPG stationary	L	26	16 984	24	16 055	8.3%	
	CO_2 purchased	kg	–	306	–	171	–	2
	Diesel	L	6	2 341	44	17 113	(86.4%)	3
Refrigerant	Refrigerant	kg	1 361	843	1 433	884	(5%)	
Employee travel	Vehicle fleet	km	211	1 153 659	204	1 100 363	3.4%	
Scope 2			**29 598**	**39 048 367**	**32 394**	**42 096 188**	**(8.6%)**	
Energy	Electrical energy consumption	kWh	29 598	39 048 367	32 394	42 096 188	(8.6%)	4
Scope 3			**27 361**		**26 018**		**5.2%**	
Paper	Paper consumption	t	380	388	404	411	(5.9%)	
Waste	General waste	t	19	47	18	53	5.6%	5
Employee travel	Rail travel	km	79	1 865 186	71	1 624 080	11.3%	
	Road business travel	km	227	1 254 882	216	1 184 132	5.1%	
	Taxi	km	35	215 981	36	217 033	(2.8%)	
	Commercial airlines	km	26 622	86 559 177	25 273	83 234 230	5.3%	
Total emissions			**58 860**		**60 580**		**(2.8%)**	
No scope								
Water	Water consumption	kl	103 450			108 108		
Recycled waste	Recycled waste	t	960			869		
Intensity								
Emissions per average headcount			5.74*		6.23*			
Emissions per m² office space			0.35		0.36			
Water consumption per average headcount		kl		10.09*		11.11*		

1 *Consumption decreased as our UK head office relocated to more resource efficient premises during the year.*
2 *2018 data restated due to overstatement during capturing.*
3 *Decrease in diesel consumption due to fewer power outages experienced in South Africa in the current financial year. Significant increase expected in 2020 as reserves were replenished in April 2019. Diesel consumption also down in the UK as the head office moved to more resource efficient premises during the year.*
4 *Energy consumption declined as a result of electricity and gas reduction initiatives across all our offices, despite a headcount increase.*
5 *The reported general waste figure is expected to increase significantly in 2020, as our data collection efforts increase.*
* *Includes permanent and temporary employees.*

Assessment parameters

Consolidation approach:	Operational control
Emission factor data source:	DEFRA (2018), IEA, eGRID (for New York electricity) and Eskom (for South Africa electricity)
Intensity ratio:	Emissions per average headcount Emissions per office space m²
Independent assurance:	Limited assurance provided by KPMG for the years ended: 31 March 2018 and 31 March 2019
Coverage:	Coverage of environmental information covers > 95% of our business operations. Materiality set at 5%

Highlights for Southern Africa

In total, our Southern African offices achieved a 13.7% reduction in energy since 2014, despite a 37.6% growth in staff headcount. 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 12.7% reduction in energy since 2014, as shown in the graph below.

13.7%
reduction in energy since 2014 for all Southern African offices

Our biggest energy consumption is from air-conditioning systems (heating and cooling), lighting and information technology. During the last year, we spent approximately R1 million 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 2019 are 2.9% lower than 2018. Further consolidation and modernisation activities are planned for the 2020 financial year.

R1mn
spent on power management equipment and consolidating and modernisation of electrical infrastructure in our South African head office

The Investec environmental sustainability team manages the group's internal environmental initiatives in South Africa. In the past year, we installed new recycling bins and launched a campaign to stop single-use plastic in our restaurant in the South African head office. We have also implemented further water-saving measures into bathrooms in all the regions following the severe drought experienced in the country.

Prevented
25 920
water bottles going to landfill every month

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 two wheelchairs to worthy recipients, bringing the total of wheelchairs donated to 45. As a result, we prevented 20 250kgs of plastic tags polluting landfills.

20 250kg
of plastic waste prevented from going to landfill

Investec offices and Investec staff joined millions of people across the world who switched off their lights for Earth Hour on Saturday, 30 March 2019 at 20:30.

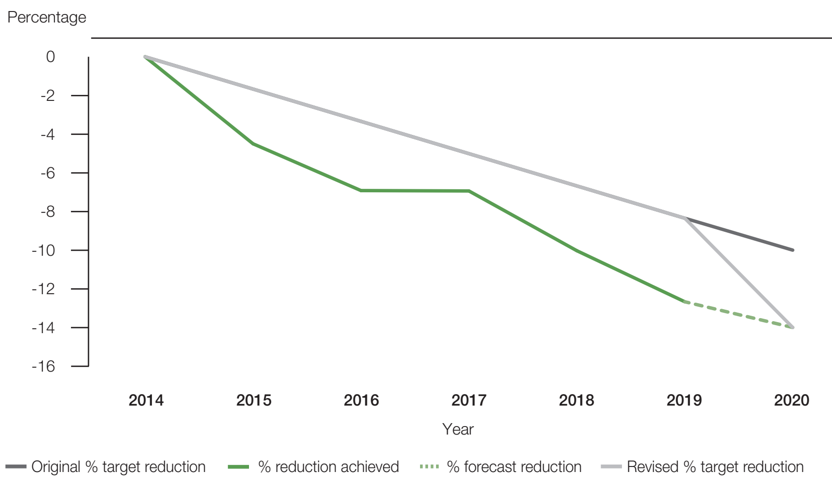
Participated in
Earth Hour

As part of our commitment to environmental sustainability, we have embarked on a Green Star rating process, by the Green Building Council of South Africa (GBCSA), for our South African head office. A Green Star rating confirms that our efforts to reduce our impact on the environment have been successful. The rating will be available in the next financial year.

Phase 1 of
GBCSA Green Star
rating completed

South African head office electricity reduction target

(comprising 46% of group floor space)



electricity reduction of
12.7%
since our 2014 base year

Carbon footprint for Southern Africa

		Units	31 March 2019 Tonnes of CO_2 equivalent	31 March 2019 Consumption in unit of measure	31 March 2018 Tonnes of CO_2 equivalent	31 March 2018 Consumption in unit of measure	Variance in tonnes of CO_2 equivalent	Notes
Scope 1			**1 604**		**1 704**		**(5.9%)**	
Energy	LPG stationary	L	26	16 984	24	16 055	8.3%	
	CO_2 purchased	kg	–	306	–	171	–	1
	Diesel	L	5	2 091	43	16 513	(88.4%)	2
Refrigerant	Refrigerant	kg	1 361	843	1 433	884	(5%)	
Employee travel	Vehicle fleet	km	211	1 153 659	204	1 100 363	3.4%	
Scope 2			**25 986**	**27 415 342**	**27 027**	**27 638 508**	**(3.9%)**	
Energy	Electrical energy consumption	kWh	25 986	27 415 342	27 027	27 638 508	(3.9%)	3
Scope 3			**13 298**		**12 874**		**3.3%**	
Paper	Paper consumption	t	124	132	97	104	27.8%	
Waste	General waste	t	13	22	13	23	–	4
Employee travel	Road business travel	km	30	165 755	33	178 478	(9.1%)	
	Commercial airlines	km	13 130	47 313 203	12 731	37 352 459	3.1%	
Total emissions			**40 887**		**41 605**		**(1.7%)**	
No scope								
Water	Water consumption	kl	82 273			75 840		
Recycled waste	Recycled waste	t	235			268		
Intensity								
Emissions per average headcount			7.19*		7.69*			
Emissions per m² office space			0.36		0.37			
Water consumption per average headcount		kl		14.46*		14.02*		

[1] 2018 data restated due to overstatement during capturing.

[2] Decrease in diesel consumption due to fewer power outages experienced in the current financial year. Significant increase expected in 2020 as reserves were replenished in April 2019.

[3] Energy consumption declined as a result of electricity reduction initiatives across all our offices, despite a headcount increase.

[4] The reported general waste figure is expected to increase significantly in 2020, as our data collection efforts increase.

* Includes permanent and temporary employees.

Highlights for the UK and Other

The UK head office's Environment Management System (EMS), which covers the operational aspects of the building, and their Energy Management System (EnMS), which covers 23 of their buildings in the UK, Ireland and Channel Islands, were recertified to the international environmental standard ISO 14001 and the international energy standard ISO 50001 in November 2018 respectively.	Re-certified to **ISO 50001** and ISO 14001 standards
The UK head office won its 13th Platinum Award in the Corporation of London's Clean City Awards Scheme for our waste management efforts. We have won the top award, the Chairman's Cup, three times, and the Platinum Award nine times since we joined the scheme in 2005.	Won our **13th** Platinum Award for best practice in waste management
The UK head office refilled 23 250 bottles of pure drinking water for hospitality purposes avoiding 14 105kgs of glass waste.	Avoided **14 105kg** of glass waste
The UK head office was recertified to the Carbon Trust Waste Standard, which is awarded to organisations that can demonstrate achievement in managing and reducing waste output and improving resource efficiency. We first achieved this certificate in 2014.	Recertified to the **Carbon Trust Waste Standard**
Investec London sponsored the Sustainable Resource category of the national Sustainable Cities Awards. The awards encourage wide participation from a diverse UK audience of over 3 000 sustainability professionals.	Sponsored the **Sustainable Cities Awards**
In conjunction with World Oceans Day in June 2018, Team Green ran a plastic fishing event. The event highlighted the issue of single-use plastic and the devastating effect plastic waste has on our oceans and wildlife. We were invited by the City of London to be one of four launch partners in their Plastic Free City Pledge, and received a Platinum pledge for our achievements in reducing single-use plastic in our office on entry.	**Received a Platinum** pledge for achievements in reducing single-use plastics
We continue to encourage active travel among our staff and implement cycle-to-work schemes. We also signed the updated City of London's Air Quality Pledge to demonstrate our commitment to reducing poor air quality in London.	**Encouraged** active travel
Investec staff joined millions of people across the world who switched off their lights for Earth Hour on Saturday, 30 March 2019 at 20:30.	Switched off for **Earth Hour**
The move of our UK head office in London to newly refurbished premises provided us with an opportunity to ensure sustainability was central to the design. From a traditional office set up, we moved to an agile working environment, where staff use laptops instead of PCs increasing mobility and reducing the need for paper in meetings.	Printers in new premises reduced from 102 to **61 units**
We installed a new water efficient toilet system, Propelair, in our new UK head office. These toilets use 1.5 litres of water per flush as opposed to traditional toilets that use between 6-9 litres per flush.	Introduced **water efficient** toilet system

Carbon footprint for UK and Other

			31 March 2019		31 March 2018			
		Units	**Tonnes of CO_2 equivalent**	**Consumption in unit of measure**	Tonnes of CO_2 equivalent	Consumption in unit of measure	Variance in tonnes of CO_2 equivalent	Notes
Scope 1			**297**		**464**		**(36%)**	
Energy	Natural gas	kWh	296	1 609 702	462	2 508 683	(35.9%)	1
	Diesel	L	1	250	2	600	(50%)	1
Scope 2			**3 612**	**11 633 024**	**5 367**	**14 457 680**	**(32.7%)**	
Energy	Electrical energy consumption	kWh	3 612	11 633 024	5 367	14 457 680	(32.7%)	1
Scope 3			**14 064**		**13 143**		**7%**	
Paper	Paper consumption	t	256	256	307	307	(16.6%)	
Waste	General waste	t	6	25	4	30	50%	
Employee travel	Rail travel	km	79	1 865 186	71	1 624 080	11.3%	
	Road business travel	km	197	1 089 127	183	1 005 654	7.7%	
	Taxi	km	35	215 981	36	217 033	(2.8%)	
	Commercial airlines	km	13 491	39 245 974	12 542	45 881 770	7.6%	
Total emissions			**17 972**		**18 974**		**(5.3%)**	
No scope								
Water	Water consumption	kl	21 177			32 267		
Recycled waste	Recycled waste	t	725			601		
Intensity								
Emissions per average headcount			3.94*		4.39*			
Emissions per m^2 office space			0.33		0.35			
Water consumption per average headcount		kl		4.64*		7.47*		

Data has been gathered in line with requirements of the CRC Energy Efficiency Scheme in the UK. 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 carbon footprint report, and covers our energy usage across our UK and Other offices only.

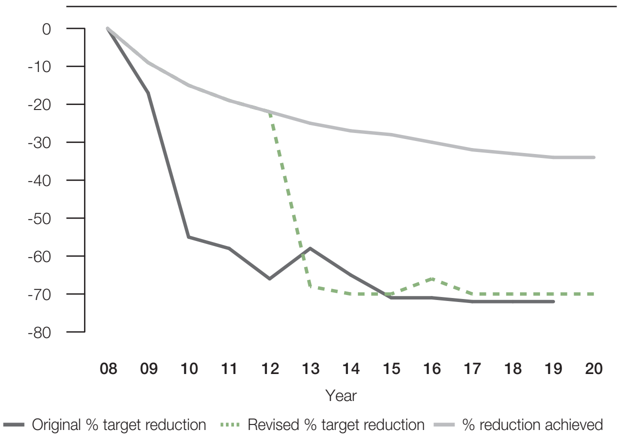
[1] *Consumption decreased as our UK head office relocated to more resource efficient premises during the year.*

* *Includes permanent and temporary employees.*

UK head office gas reduction target

(comprising 10% of group floor space)

Percentage

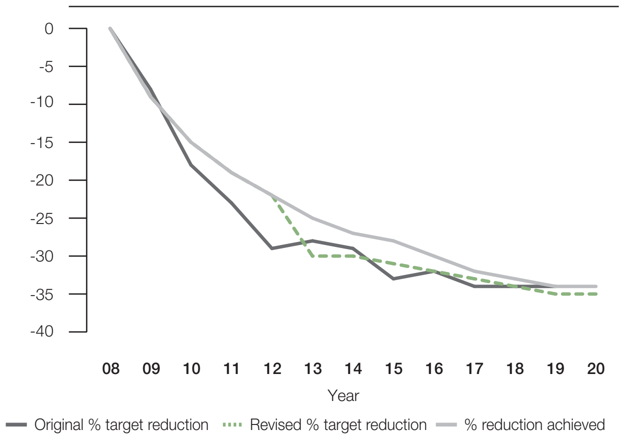


Our UK head office, set a gas reduction target of 72% by 2020, with 2008 as a base year. This target was achieved in the previous financial year and new targets will be set for the new premises.

UK head office electricity reduction target

(comprising 10% of group floor space)

Percentage



Our UK head office, set an electricity reduction target of 35% by 2020, with 2008 as a base year. This target was achieved in the previous financial year and new targets will be set for the new premises.