

5

OUR BUSINESS
IMPACT



Our business impact through the SDGs

Our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment and society. We live in society, not off it. Our vision is to create and preserve sustained long-term wealth and help our clients grow their businesses. This cannot be done in isolation of our responsibility to the world around us.

Our approach is to contribute in a positive and responsible way to the health of our economy, the well-being of our staff and communities, while safeguarding our natural resources, to build a more resilient and inclusive world. We integrate environmental, social and governance (ESG) considerations into our day-to-day operations to ensure sustainable management with a long-term vision. This extends to our businesses where we have a critical role to play in funding a sustainable economy that is cognisant of the world's limited natural resources. We can make the greatest socio-economic and environmental contribution by partnering with our clients and stakeholders to have a tangible impact on reducing inequality.

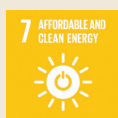
We recognise the need to move as quickly and smoothly as possible towards a low-carbon economy while always being mindful of the socio-economic consequences of this transition. As a distinctive financial institution, we are aware of our broader social responsibility and play a critical role in funding a stable and sustainable economy that contributes to our communities and is cognisant of our planet's limited natural resources.

We believe that the United Nations Sustainable Development Goals (SDGs) provide a solid framework for us to assess, align and prioritise our activities. We recognise the pivotal role that the private sector, and in particular, the financial sector, will have in their achievement. Our strategy is to harness the expertise in our various businesses and identify opportunities to maximise impact by partnering with our clients, investors and various stakeholders to support delivery of the SDGs and build a more resilient and inclusive world.

After extensive stakeholder engagement over the past 18 months, we prioritised our goals to ensure that they are globally aligned yet locally relevant to our core geographies and reflect our current business model and growth strategy. In selecting these priorities we looked at where we can maximise the socio-economic and environmental impact by coordinating and integrating activities across our businesses, our operations and our communities. As a result, we believe that our most significant contribution to the SDGs will be achieved through financing innovative solutions that will address socio-economic issues and investing responsibly for a more sustainable future. We can achieve this through enabling access to clean water (SDG 6) and affordable energy (SDG 7) as well as providing access to quality education (SDG 4). These are all vital for economic growth and job creation (SDG 8). At the same time, our business has established expertise in building and supporting infrastructure solutions (SDG 9) and funding sustainable cities and stronger communities (SDG 11).

We are also embedding ESG considerations into our daily business operations and processes through the following:

- An established group ESG policy
- A group climate change statement
- ESG considerations incorporated in the credit and investment decision-making process
- An ESG guidebook to assist consultants
- ESG training provided for consultants.



**Our
commitment
to our
people and
communities**

**Our
commitment
to the
environment**

**Our business
impact**

Our six priority SDGs are aligned with:

- **Our purpose**
- **Our business model and growth strategy**
- **Our global operations, to ensure local relevance.**

OUR BUSINESS IMPACT

(continued)

Quality education



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all through:

SDG 4.3: Equal access to education

SDG 4.4: Increasing the number of youth with relevant skills

Benefits to society

Education brings significant benefits to society, not only through higher employment opportunities and income, but also via enhanced skills, improved social well-being and quality of life, and access to networks.

Benefits to our business

By supporting quality education, we contribute to a greater pool of talent for our own workforce. Within our business activities we actively finance and facilitate a number of education and vocational businesses and partner with clients to enhance quality education and skills development in South Africa.

Examples of our impact:

Equal access to education (SDG 4.3)

96%

of students are black South Africans

The **Investec Africa Frontier Private Equity Fund 2**, a private-equity fund managed by Investec Asset Management, has acquired a controlling stake in private-college operator **Richfield Holdings**, allowing growth of their blended model of distance learning and expansion into the rest of Africa. Richfield operates more than 40 campuses in South Africa with more than 20 000 students. It offers a wide range of accredited Higher Education degrees, diplomas, and certificates as well as technical and vocational training courses. Affordable vocational and higher education is a critical driver of development for the continent. Ninety-six percent of its students are black South Africans, of whom 85% come from households with an annual household income of less than R120 000. On average, a Richfield graduate increases his/her household income four-fold within five years of graduating, highlighting how transformational the investment is.



Refer to pages 59 to 61 for more information on our Investec Asset Management activities.

55%

of funds were allocated to education

The **Investec Wealth & Investment philanthropy** offering has become more strategic in nature due to the move towards supporting more long-term sustainable solutions. At 31 March 2019, Investec managed philanthropy foundation investments to the market value of R580 million (2018: R576 million). These funds have derived income for distribution to charities on behalf of our clients to the value of approximately R31 million in the past year. This income is distributed by Investec charitable trusts, in accordance with the decisions made by the respective foundation trustees. Of the funds allocated, 55% went to education, 29% to welfare and humanitarian, 4% to healthcare and 12% to social justice initiatives.

Increasing the number of youth with relevant skills (SDG 4.4)

93%

of students are employed upon graduation

Investec is an equity partner in **Invictus Education Group** and are integrally involved in the business from a strategic perspective. With more than 20 000 learners, Invictus Education Group is continually reinvesting in education systems, processes and utilising technology as a key strategy. The hotel school focusses on practical as well as theoretical training, with emphasis on traditional values of service and hospitality. Ninety-three percent of hotel school students are employed upon graduation. With more than 1 000 learnerships running each year, the programme is making a significant contribution to skills development in South Africa.

Clean water and sanitation



Ensure availability and sustainable management of water and sanitation for all through:

- 6.1 Safe and affordable drinking water
- 6.4 Water use efficiency

Benefits to society

Access to clean water and sanitation is a basic human right and is essential for reducing poverty and improving overall well-being. It is vital for agriculture, biodiversity and economic growth but also keeps children in school and increases opportunities for women and girls in rural areas.

Benefits to our business

We have established expertise in funding and structuring infrastructure projects. We also partner with our clients to finance innovative water solutions which help communities and business growth. In our own operations, we continually look for opportunities to reduce our consumption and usage of water.

Examples of our impact:

Safe and affordable drinking water (SDG 6.1)

20 000

litres of clean
drinking water
per day

Through our collaboration with the Entrepreneurship Development Trust (EDT), **Innovation Africa** have installed solar water pumping systems to 11 communities in rural South Africa. Nine of these villages are in Mpumalanga in the impoverished Bushbuckridge community and two are located in Limpopo. These innovative water infrastructure developments use sophisticated solar technology to extract water via bore holes from below the aquifer. The clean water is then piped to centrally-located taps throughout the community. Once the installation is complete, engineers install specialised remote monitoring technology that enables oversight from a distance. Approximately 20 000 litres of clean water are distributed to at least 8 000 people per village providing clean drinking water as well as supplying drip irrigation systems which in turn offers a source of food and income for farmers and their families. The community takes ownership of the project allowing local residents to be employed in the construction and maintenance of the project, supporting skills development and enhancing future employment prospects.

Our private capital business is an equity partner in **Abeco Tanks**. Water is needed for success in agriculture, business, industry and mining – the pillars of our continent's developing economies. Without a cost-effective, convenient and stable supply of water, every economy and community in Africa is at risk. Abeco Tanks aim to satisfy this increasing need for the hygienic storage of water and their cost-effective water tank storage solutions include elements of safety, hygiene, quality and durability. These water tanks have been installed in over 38 countries including Mauritius, Seychelles, Madagascar, Central America, Middle East as well as over the entire African continent. Abeco offers a unique perspective on potable water, waste-water, fire protection and industrial liquid applications. Abeco recognises the merits of each type of construction, which allows them to objectively propose the right type of storage for each application.

Water use efficiency (SDG 6.4)

84%

water saving

Investec has taken an £8 million investment in Propelair, a UK company that uses innovation to reduce water consumption from cistern flushing. Propelair uses 84% less water and 80% less energy than conventional toilets and is more hygienic. Investec also became a client of Propelair by installing only Propelair toilets at their new premises in London. These energy and water efficient toilets are expected to help save more than 6 500 000 litres of drinkable water per year.

OUR BUSINESS IMPACT

(continued)

Industry, innovation and infrastructure



Build resilient infrastructure, promote sustainable industrialisation and foster innovation through:

9.5 Upgrading technological capabilities

9.A Facilitate sustainable and resilient infrastructure development

Benefits to society

Building quality infrastructure and sustainable industrial development boosts productivity, incomes and standards of living, leading to better health and education outcomes. Technology and innovation are vital in addressing environmental and economic challenges that come with industrial development and an increasing world population.

Benefits to our business

We have a proven track record and partner with the private sector and government for the delivery of infrastructure through the provision of expertise to ensure the successful funding, implementation and development of projects. We see many opportunities to finance innovative technological or digital solutions to solve various socio-economic challenges.

Examples of our impact:

Upgrading technological capabilities (SDG 9.5)

Investec is the anchor limited partner of an Israeli late-stage technology venture capital fund called **Israeli Technology Investments Venture Capital Partners (ITI)**. The fund closed at the end of January 2019 with commitments of \$80 million. One of its first investments was into a company called Vayyar Imaging Ltd which develops safe, mobile, low-cost 3D imaging sensors which enable applications in the fields of tumour detection, people-tracking, vehicle automation, security, radiation-level testing and construction, among others.

Dedicated fintech partnership team

Investec has partnered with **Crossfin** to fund early-stage African fintech start-ups. Our partnerships aim to identify and fund innovative ideas and driven entrepreneurs who specifically develop solutions that point to the future of financial products and services in Africa. Access to financial services and support are provided to the entrepreneurs. The partnership will focus on entrepreneurs who are building solutions that meet the demands of modern consumers and businesses and bring the sector closer to a more inclusive, high-growth future.

Investec, in collaboration with **BankservAfrica** and **uPort**, has demonstrated a digital identity system anchored in the Ethereum blockchain. Through the Ethereum blockchain, the prototype allows individuals to register a universal, reusable and encrypted identity. The user has full ownership of his/her identity and can decide who can access their information. Improved security will minimise the risk of identity fraud significantly. For financial institutions, a blockchain-based identity system could improve efficiency and greatly reduce the friction and costs of client onboarding.

Facilitate sustainable and resilient infrastructure development (SDG 9.A)

Dedicated investment funds supporting a sustainable economic model

Investec Asset Management launched a number of dedicated investment funds for investors who want to support the transition to a more sustainable economic model. The **Emerging Africa Infrastructure Fund (EAIF)** is managed by Investec Asset Management and is now fully integrated into the African Investment platform. The infrastructure investments we make through our Africa Private Markets strategies show how long-term asset owners can contribute to sustainable development, while generating investment returns.

The EAIF is contributing to meeting the UN SDGs by supporting developing countries. The EAIF ensures that all projects it finances comply with both the relevant national legislation and international best practice, as set out in the International Finance Corporation's (IFC) Performance Standards on Social and Environmental Sustainability and the supporting environmental, health and safety guidelines. The EAIF projects are subject to rigorous due diligence processes and assessed against a number of cumulative and annual development targets. Through this infrastructure fund, we are enabling the long-term development of Africa's infrastructure, stimulating economic growth and employment and fuelling Africa's long-term growth.



Refer to pages 59 to 61 for more information on our Investec Asset Management activities.

Affordable and clean energy



Ensure access to affordable, reliable, sustainable and modern energy for all through:

7.2 Increasing the share of renewable energy

Benefits to society

We rely daily on energy to power our economies, drive industry and transport, and provide light and warmth (or cooling) in our homes. Access in rural communities to affordable energy positively impacts education, health and learning. The increase of renewable energy reduces greenhouse gas emissions and is vital in the transition to a low-carbon economy.

Benefits to our business

We recognise the risk of climate change and are committed to supporting the transition to a clean and energy-efficient global economy. We have international expertise in financing and developing energy generation and transmission. We deliberately focus on financing infrastructure solutions that promote renewable energy. We also help clients to reduce their emissions and encourage investment in renewables and divestment from fossil fuels.

Examples of our impact:

Increasing the share of renewable energy (SDG 7.2)

The slowdown in the world economy has potentially had an effect on investment in this sector. In South Africa, the roll-out of additional generation capacity had previously been delayed due to an impasse between the government and the state utility. With this seemingly resolved, the timing of investment in new generation capacity in South Africa under the programmes run by the Department of Energy is more certain and is no doubt a positive sign for investors in the energy market in South Africa going forward.

86%

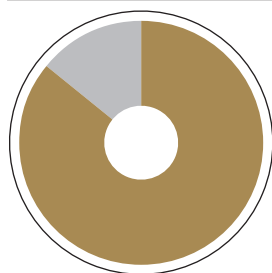
of our energy
lending
portfolio
relates to
clean energy

With the recent recurrence of load shedding in South Africa and its significant impact on business, many large energy users have further committed to investing in self-generation, particularly in environmentally-friendly solar and battery technologies.

We require that all power and infrastructure-related projects comply with applicable environmental, planning, labour and procurement laws and do not fund or invest in projects which do not have acceptable environmental impact assessments, do not comply with procurement and labour laws, and either do or could reasonably be expected to breach acceptable behavioural, ethical or moral standards. 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.

During the past year, we participated in £1.6 billion (2018: £1.2 billion) renewable energy projects around the world. We financed a total of 14 projects (2018: 8 projects) with installed capacity of 1 863 MW (2018: 1 450 MW). In the UK, Investec is leading the financing of Energy-from-Waste and biomass plants using environmentally sustainable technologies that generate renewable energy whilst diverting waste from landfill.

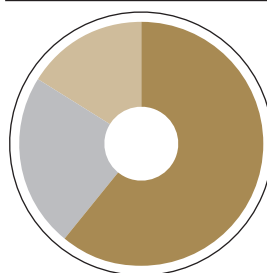
Energy portfolio split



31 March 2019

86% Clean energy
14% Non clean energy

Renewable energy financed during 2019 (1 863 MW) classified by type



31 March 2019

61% Wind
23% Solar
16% Energy-from-Waste

OUR BUSINESS IMPACT

(continued)

Private Equity clean energy fund – Revego Africa Energy

R1bn

**clean energy
fund**

Recognising the opportunity to play a role in funding and transforming the energy sector, Investec created an energy fund, Revego Africa Energy (Revego), to invest in and acquire equity instruments in private unlisted companies that are undertaking renewable energy projects in sub-Saharan Africa with an initial focus on operating assets in South Africa. We expect that a significant portion of the future investment in sub-Saharan Africa will be in renewable and clean energy technologies. In January 2019, Investec and UK Climate Investments, in equal proportions, jointly committed R1 billion to the fund. Revego is targeting a listing on the Johannesburg Stock Exchange in 2019.

The fund manager will have a minimum 51% black shareholding which will see the transfer of skills to black employees, thereby facilitating the creation of a new majority black-owned investment manager and contributing to the transformation of the fund management industry. The nature and scope of Revego allows initial project investors, not all of whom are natural long-term investors in infrastructure, to exit their investments earlier than would traditionally be allowed with these types of investments, thereby providing much-needed liquidity in the African renewable energy market.

Power generation through waste

Melton Renewable Energy, UK – Energy-from-Waste

Power generation capacity of 172 MW using a variety of waste streams

Country	Role	Project type	Date closed	Power capacity
UK	Lead arranger	Waste	2018	172 MW

Investec, alongside other lenders, provided a £174 million facility to refinance Melton Renewable Energy (MRE). The MRE portfolio boasts a combined capacity of 172 MW, making it the single biggest independently owned landfill and biomass gas portfolio in the UK.

The portfolio has a strong track record and is unique in the UK in terms of its size and diversity, specifically in terms of scale, technology, fuel mix, sites and network connection points, and operating history. The portfolio is fully accredited as a renewable energy generator eligible to receive Renewable Obligations Certificates (ROCs).

Through its biomass business, MRE owns and operates one of the largest independent biomass-only fuelled power station portfolios in the UK, consisting of five biomass power stations with a net installed capacity of 112.5 MW (and 59 MW of landfill gas). The plants generate electricity through a conventional thermal process using a range of biomass fuels, which, if not burned, would need to be sent to landfill.

MRE's landfill gas business generates renewable electricity using naturally occurring methane produced by the anaerobic decomposition of waste deposited in landfill sites, which is used to power standard reciprocating engines.

Rookery South, UK – Energy-from-Waste

Generates power while providing a disposing solution for 525 000 tonnes of waste

Country	Role	Project type	Date closed	Power capacity
UK	Lead arranger	Waste	2019	62 MW

Investec, alongside other lenders, provided approximately £310 million to finance the construction and operation of Rookery, an Energy-from-Waste (EfW) facility.

The plant is located in a prime key waste catchment area, with excellent road access, and therefore well-placed to serve the London and home counties market.

The plant will process 525 000 tonnes of waste and generate approximately 62 MW of electricity. The waste is a mixture of untreated commercial, industrial and local authority-collected waste, with Veolia, the large water and waste company, supplying the majority of waste.

EfW is a process that uses household and commercial waste to generate electricity by burning it in combustion chambers at high temperatures. This reduces the waste to 10% of its original volume and is a better environmental solution than going to landfill.

*Earl's Gate, UK – Energy-from-Waste***Generates power and steam while providing a disposing solution for 216 000 tonnes of waste**

Country	Role	Project type	Date closed	Power capacity
UK	Lead arranger	Waste	2019	21.5 MW

Investec, together with other banks, has provided approximately £150 million to finance the construction and operation of Earl's Gate, a 216 000 tonnes EfW plant. The plant has a capacity of 21.5 MW. The project is owned by Brockwell Energy, the Green Investment Group and Covanta. The commissioning of the combined heat and power plant is expected in late 2021.

Once operational, the plant will treat 216 000 tonnes of mixed household, commercial and industrial waste per year, avoiding the use of landfill. The plant will also provide power to local industrial facilities.

*Kwinana, Western Australia – Energy-from-Waste***Reduction of carbon emissions of 400 000 tonnes per year, the equivalent of taking 85 000 cars off the road**

Country	Role	Project type	Date closed	Power capacity
AUS	Lead arranger	Waste	2018	36 MW

Investec was a joint lead arranger of the AUS \$370 million senior debt facilities to the Kwinana Energy-from-Waste project in Western Australia. Kwinana is the first large scale waste incineration project in Australia and has been developed by Macquarie Capital and Phoenix Energy. The project can process 400 000 tonnes per year of waste and produces 36 MW of electricity, sufficient to power more than 50 000 households. The plant will be a leader in integrating the disposal of waste with the generation of renewable energy. Once operational, the facility will result in an overall reduction of more than 400 000 tonnes CO₂ of emissions per year, the equivalent of taking 85 000 cars off the road.

Power generation through wind*Rockwind, US – Wind energy***The portfolio generates approximately 1 500 GWh of renewable energy per year**

Country	Role	Project type	Date closed	Power capacity
US	Lead arranger	Wind	2018	538 MW

Investec, together with other institutions, has provided \$134 million to support the refinancing of a portfolio of five wind farms in the United States with a total installed capacity of 538 MW. The portfolio generates approximately 1 500 GWh of renewable energy per year.

The portfolio is owned by Blackrock Real Assets that acquired it from Everpower in 2018. The portfolio utilises established technology from reputable equipment manufacturers such as Gamesa, Servion and Nordex.

*Roggeveld Wind Farm, South Africa – Wind energy***Roggeveld Wind will provide energy to 49 200 households every year**

Country	Role	Project type	Date closed	Power capacity
SA	Lead arranger	Wind	2018	147 MW

Investec provided a R65 million facility to Roggeveld Wind to guarantee their equity commitment into the 147 MW Roggeveld Wind Farm project. Roggeveld Wind was awarded preferred bidder status in the Renewable Energy Independent Power Producer Procurement (REIPPP) programme in South Africa. The project is situated in the Northern Cape and was developed by Building Energy. The wind farm will generate around 613 GWh per year and the energy generated will provide energy to 49 200 households every year, while avoiding approximately 502 900 tonnes of CO₂ emissions. The project is expected to be operational in April 2021.

Power generation through solar

Mulilo, South Africa – Solar energy

Mulilo Solar is a portfolio of rooftop Solar PV projects across 11 sites totaling 10.4 MW

Country	Role	Project type	Date closed	Power capacity
SA	Lead arranger	Solar	2018	10.4 MW

Investec provided senior debt facilities to Mulilo to finance a portfolio of rooftop Solar Photovoltaic (PV) projects. Mulilo was awarded preferred bidder status by Coca Cola Beverages South Africa for the construction, operation and maintenance of a portfolio of rooftop Solar PV projects across 11 sites totalling 10.4 MW.

Kathu, South Africa – Solar energy

Reduction of six million tonnes of CO₂ emitted over the next 20 years

Country	Role	Project type	Date closed	Power capacity
SA	Senior debt provider	Solar	2018	100 MW

Investec is the senior debt provider, co-developer and shareholder in the Kathu Solar Park, South Africa's largest concentrated solar power greenfield project in operation.

The cutting-edge energy generation and storage technology contributes 100 MW of energy into the national grid providing 179 000 households in the Northern Cape with constant power.

The project has a large socio-economic impact, providing 1 700 jobs during construction, of which 42% were employed from the local community. A total of 27 social initiatives were implemented with a focus on improving the education levels in the community. More than 16 900 beneficiaries benefit from the various social initiatives.

It is estimated that the Kathu Solar Park will prevent approximately six million tonnes of CO₂ going into the atmosphere over the next 20 years.

Gridserve, UK – Solar energy

Innovative combined solar and battery plant saving 16 000 tonnes of carbon a year

Country	Role	Project type	Date closed	Power capacity
UK	Lead arranger	Solar	2019	21.5 MW

Investec, together with Leapfrog Bridge Finance Ltd (Leapfrog), have financed the construction of a 34.7 MW solar farm plus 27 MW battery located in York, UK.

The project will use large grid-scale batteries and innovative technology to maximise revenues and demonstrate a new commercial model for delivering subsidy-free solar energy in the UK.

On completion, the solar park will be acquired by Warrington Borough Council, in a landmark deal which will make it the first local authority to produce all its own electricity from clean energy and generate millions of pounds each year to support essential services.

The solar farm will generate enough green electricity to supply more than 12 000 average UK homes or power more than 20 000 electric vehicles, saving 16 000 tonnes of carbon a year.

Decent work and economic growth



Promote inclusive and sustainable economic growth, full and productive employment and decent work for all through:

- 8.5 Full and productive employment and decent work
- 8.9 Promote sustainable tourism

Benefits to society

Inequality and poverty are inextricably linked to having decent work and being an active economic participant. Entrepreneurship and job creation are therefore key to ensuring sustained economic growth, in addition to eradicating forced labour, child labour, slavery and human trafficking.

Benefits to our business

Our business plays a critical role in providing capital to fund a stable and sustainable economy. We use our specialist skills to support our clients in growing their businesses. We have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth.

Examples of our impact:

Promoting full and productive employment and decent work (SDG 8.5)

Investing into funds to grow SMMEs

During the year, the Wealth & Investment business exposed clients to the opportunity of investing into funds to grow qualifying privately-owned SMMEs. These funds aim to improve South Africa's economic growth and contribute towards SDG 8 (decent work and economic growth). The funds have been set up in accordance with Section 12J of the Income Tax Act offering clients tax incentives for their contributions.

Lending to female micro-entrepreneurs

Investec has acted as joint bookrunner in the £313 million Initial Public Offering (IPO) of **ASA International Group plc (ASAI)**, one of the world's leading microfinance providers. It is the first time this kind of lender has listed in Europe. ASAI primarily lends to low-income, financially underserved female micro-entrepreneurs as well as small business owners across Asia and Africa.

Investment strategy focused on

positive impact

Investec Asset Management has launched the **Investec UK Sustainable Equity Fund (OEIC)** offering UK clients a diversified and differentiated investment strategy focusing on positive impact and engagement and aims to provide investors with long-term capital growth and income. The fund will be managed through the Investec Asset Management's established quality investment process and ESG team. Internal and external sustainability of each company will be evaluated using Investec Asset Management's proprietary framework of investible *Sustainable Themes*, mapped against the UN SDGs, covering social and economic development issues including factors such as health, education, social justice, global warming and poverty.

More than

R13mn

of contracts awarded to AMP tenants

(since inception in 2016)

Investec Property Fund (IPF) supports an enterprise and supplier development initiative known as **AMP**. The purpose is to facilitate collaboration between property entrepreneurs in a space that will nurture and grow their offerings, services and projects. They are provided with subsidised office space as well as skills, mentorship and assistance in facilitating procurement opportunities. In 2018, IPF identified a further seven black-owned small, medium and micro enterprises in the property sector to partner and collaborate with, bringing the total number of businesses participating in the AMP programme to 13. A revamp of the space is planned for 2019 to be able to accommodate up to 20 businesses.

Contributing to economic growth through supporting tourism (SDG 8.9)

Creating an aviation hub in Cape Town

Investec has partnered, through a public/private partnership, with **Wesgro**, to help secure direct routes into Cape Town International Airport. Wesgro is the official tourism and trade investment promotion agency for Cape Town and the Western Cape. The initiative has supported tourism, an important growth sector for South Africa, by creating direct access to Cape Town which is an important route for the rest of Africa. Non-stop connections to Cape Town increased from three to 13 non-stop connections, allowing 18 airlines to expand, creating an aviation hub in Cape Town.

Sustainable cities and communities



Make cities inclusive, safe, resilient and sustainable through:

- 11.1 Providing access for all to safe and affordable housing
- 11.2 Providing access to safe, affordable, accessible and sustainable transport systems for all
- 11.C Supporting sustainable and resilient buildings

Benefits to society

Meaningful sustainable development requires a significant transformation in the way we deal with rapid urbanisation. A more resilient and sustainable approach is required when building cities to reduce vulnerability to various factors, such as natural disasters, overcrowding and air pollution. This requires investment in safe and affordable housing, efficient public transport, green public spaces, and improving urban planning to be more inclusive.

Benefits to our business

Through our lending and investment activities, we are able to play a meaningful role in building sustainable cities and communities. Our property business focuses on developments that bring value to surrounding communities and invest in sustainable and resilient buildings. We also finance innovative technologies that can contribute to more sustainable transport systems and safer, robust infrastructure solutions.

Examples of our impact:

Providing access for all to safe and affordable housing (SDG 11.1)

Discounted rentals for key workers

Investec Australia's infrastructure finance and investment team funded an affordable housing development in Adelaide which allowed key workers (for example nurses, police, council workers) a discounted rental rate for up to three years while they saved for a deposit to purchase their home. The team in Australia continues to look for further opportunities to deliver new mixed communities where social housing blends in with private and affordable housing.

Promoting sustainable transport (SDG 11.2)

1 500 EV rapid chargers in London

Recognising the need for enabling cleaner transport and cleaner cities, we have invested in a UK-based company specialising in electric vehicle (EV) rapid charging. Through our investment 1 500 rapid chargers are being installed across London, thereby contributing to SDG 11 (sustainable cities and communities).

Supporting sustainable and resilient buildings (SDG 11.C)

Exploring continued roll-out of

Solar PV

Investec Property Fund (IPF), managed by Investec Property and 26.57% owned by Investec Limited, actively explores sustainable business development. IPF tracks and benchmarks consumption across the portfolio in order to identify energy efficiency opportunities as well as monitoring improvements.

In the last financial year, IPF implemented Solar Photovoltaic (PV) projects on six of their building's rooftops: Balfour Mall, Newcastle Mall, Zevenwacht Mall, Kriel Mall, Dihlabeng Mall and 30 Jellicoe, totalling 5.4 MW. This has reduced both the cost of electricity and the demand from the grid. IPF is exploring the continued roll-out of Solar PV plants across its retail, office and industrial property portfolios.

Through a joint venture, Investec Property launched a second FutureSpace office initiative, allowing entrepreneurs and small businesses to have access to a collaborative and coworking space. This facilitates smarter cities and economic development.

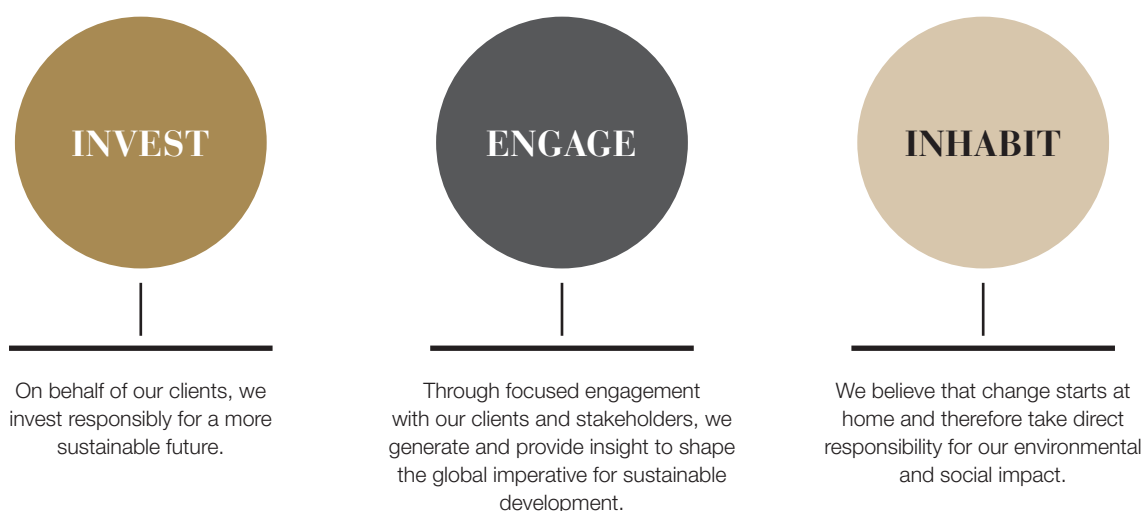
Investec Asset Management

Investec Asset Management is deeply committed to creating a better, sustainable future. We are conscious of our responsibility, both as investors of other people's money and of our broader responsibility to society.

Through our core investing activities, our leadership in the industry, our environmental initiatives and our commitment to our local communities, we seek to make a positive impact in all that we do.

We look at a broad set of activities that are aligned with achieving the 17 Sustainable Development Goals (SDGs) recognising sustainable development as the greatest challenge to humanity.

As a result, our sustainability activities are organised into three focus areas:



Invest

On behalf of our clients, we invest responsibly for a more sustainable future.

How we allocate capital arguably presents the biggest impact for our industry and it is under the *Invest* umbrella that we aim to tackle this challenge. In our role as a global asset manager we assume a stewardship role over the assets that we manage. We monitor, evaluate and, if necessary, actively engage or withdraw capital to preserve or add value to our clients' portfolios.

Our approach and commitment to this priority is outlined in our stewardship policy and is overseen by our internal Investment Governance Committee, which includes senior leaders from around the business. We are a signatory of the United Nations Principles for Responsible Investment (UNPRI), the UK Stewardship Code and the Code for Responsible Investing in South Africa (CRISA). We are also involved in various advocacy organisations which allow us to better engage on issues of active ownership on a global scale with other investors.

As a fiduciary of our clients' money, it is our legal obligation to make sure we consider all material risks and opportunities to our investments. We believe that the consideration of material ESG risks and opportunities allows us to better understand risks and identify companies that are better placed to create

long-term shareholder value. We focus on adding value across our investment teams (spanning equity, fixed income, multi-asset and alternatives) through ESG integration. We have developed an internal framework which enables us to apply a consistent approach to integration analysis, and allows our investment teams to develop their own unique approach to ESG.

Launch of sustainability strategies in the equity space

We recently launched our first two sustainability strategies in the equity space. These funds reside within the natural resources and quality investment teams. They were launched off the back of three key components:

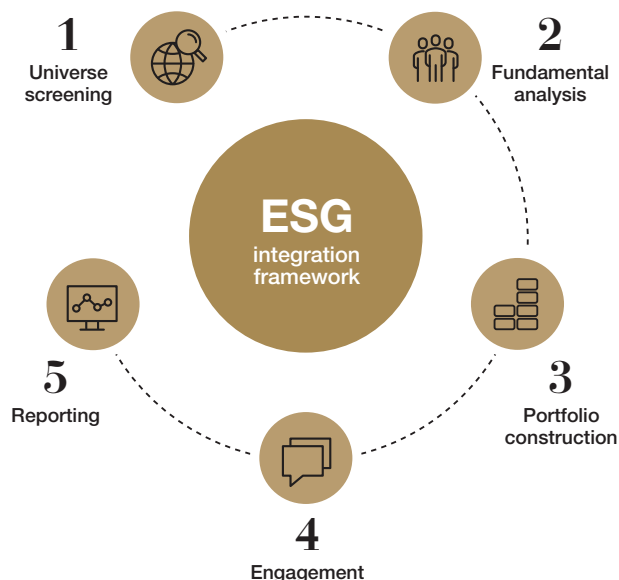
- Internal maturity around ESG and a deep understanding of materiality and active ownership
- Identifying appropriate internal and external portfolio managers to manage the strategies
- An investment strategy proposition that we believe is unique and will deliver investment returns for our clients.

We believe that we are uniquely positioned to benefit from the long-term opportunity in sustainable investing and are fully committed to it. In addition, we also manage several bespoke ESG mandates for clients that involve deeper ESG integration such as additional screening or advanced engagement, and we expect this to continue to expand and evolve.

OUR BUSINESS IMPACT

(continued)

ESG integration framework



Our investment teams largely integrate ESG analysis at the fundamental analysis stage, where they form a qualitative, quantitative or a mix of both account for material ESG issues. We obtain company ESG analysis from a number of sources, including external service providers. These sources allow us to build a view of how well the companies are identifying, managing and planning for these long-term issues. In addition, Investec Asset Management has an exclusion policy for cluster munition manufacturers. This applies to all investment products, and complies with Luxembourg legal requirements.

To aid the effective integration of ESG analysis, Investec Asset Management's dedicated ESG team has worked closely with each of the investment teams to establish the integration programme. The programme includes a focus on team awareness, training, ensuring effective use of research and data, facilitating research efforts, and participation in external initiatives and active ownership responsibilities. It is important to note that this is not an add-on process but is integrated within the process. Each programme is catered for the nuances and intricacies of each team's respective investment processes.

Active ownership

While all investment teams follow the fundamental principles of our stewardship policy, the manner in which they play an active ownership role is determined by an assessment of the costs and benefits to our clients as well as the particular nature of the investment strategy. Any strategy of intervention in terms of active ownership will be subject to portfolio decisions on whether to remain invested in the company, with the protection and enhancement of the value of client portfolios being the central objective.

Engagements take place as an integral part of our investment process. The investment teams initiate engagement based on their investment processes and priorities. In addition, a supporting engagement strategy targets material ESG themes and specific

holdings that are significant to Investec Asset Management and our clients. We engage to improve transparency of information, accountability of boards and to preserve and encourage the creation of sustainable value. It is important that we measure and monitor engagement progress.

Investec Asset Management votes at shareholder meetings throughout the world as a matter of principle. We believe that once we become investors, that is to say part-owners of a company, we assume a duty of stewardship and therefore take responsibility to support or sanction. We follow the international corporate governance best practice principles, as embodied by the International Corporate Governance Network. We also take into account regional/country-specific market practice as the underpinning infrastructure for our decision-making.

Ultimately the ESG view is in-house. Once we become a holder of the asset we become active owners and engage with the company or issuer, as necessary, to make sure the management of the risks are of a high standard and minimise any risks of future events that may destroy value. We recognise that we have a responsibility and opportunity to lead the conversation around sustainable development and encourage our clients on their journey towards more sustainable long-term investing.

Case Study: UK Sustainable Equity Fund

The fund's Strategy intentionally allocates capital towards those companies that have a positive impact towards key societal or environmental themes and make a significant contribution towards the transition to a more sustainable future. The strategy sets out to understand three pillars of sustainability:

- Financial sustainability: through our tried and tested quality research framework
- Internal sustainability: assessing ESG risks and operational sustainability such as carbon intensity, supply chain policies, training and health and safety records
- External sustainability: analysing the products and services against the Investec thematic framework.

Through detailed proprietary fundamental research to assets of measure these three pillars of sustainability, the strategy is well placed to deliver a sustainable investment return and positively contribute to a better future.

Our *Invest* approach contributes to the following SDGs:



Through our various engagements, we aim to empower our clients with insight and knowledge to support their long-term investment objectives.

Engage

Through focused engagement with our clients and stakeholders, we generate and provide insight to shape the global imperative for sustainable development.

We believe it is important to not only manage our clients' assets in a responsible manner but also to proactively engage our clients and stakeholders on the subject of sustainability and encourage our clients on their journey towards more sustainable long-term investing.

Through the Investec Investment Institute, our strategic insights and engagement platform, we provide in-depth analysis and research to global financial institutions on key geopolitical, economic and investment trends that shape portfolio strategy and asset allocation decisions. Our work draws on our investment capabilities and partnerships with leading academics and practitioners. Our goal is to empower our clients with insight and knowledge to support their long-term investment objectives. Portfolio resilience, sustainability, and ESG applied to investing have been central themes of the Institute's work that we continue to share with our clients.

Our leadership is fully engaged with a series of global organisations committed to the advancement and implementation of sustainable development:

- The Business and Sustainable Development Commission
- The Coalition for Inclusive Capitalism
- The SDG Centre for Africa

- The UN Sustainable Development Solutions Network
- The UNPRI.

Our dialogue with international business, governments, labour and civil society leaders aims to articulate and quantify the case for participation in moving towards sustainable development. This includes the imperative to build new policies and mechanisms to build a future where businesses can perform, creating inclusive sustainable growth and widespread job creation, and the achievement of the SDGs. These initiatives aim to explore current and future disruptive business models, understanding what they mean for sustainable development and to map out new financing mechanisms the world will need to reach the SDGs, moving beyond traditional corporate social responsibility and voluntary partnerships.

Global Commission on Business and Sustainable Development

Launched at the 2016 World Economic Forum in Davos, the Global Commission on Business and Sustainable Development (BSCD) convened a select group of international business, labour and civil society leaders to highlight the massive rewards to businesses who take a lead in poverty reduction and sustainable development. As an appointed commissioner, Hendrik du Toit, founding CEO of Investec Asset Management and now co-CEO of the Investec Group, joined founders Paul Polman and Lord Malloch-Brown in working to articulate and quantify the compelling economic case for businesses to engage in achieving the SDGs. The Commission's Finance Working Group findings outlined a series of recommendations for regulators and business leaders in building a system which is aligned with sustainable development to finance the US\$2-3 trillion of additional investment per year required to achieve the SDGs.

Our *Engage* approach contributes to the following SDGs:



Inhabit

We believe that change starts at home and therefore take direct responsibility for our environmental and social impact.

We take responsibility for inhabiting our ecosystem in a manner that ensures a sustainable future for all. From our internal green team through to our work in conservation and communities both in South Africa and globally, we support the preservation of our natural world, supporting a better tomorrow for future generations.*

Our corporate sustainability strategy is focused on five areas: energy, waste, water, sustainable travel and responsible procurement, that all drive towards the reduction and mitigation of our carbon footprint. Investec Asset Management Green, our internal team of champions, is supported by the senior team,

aligning with our corporate culture and our mission to exceed clients' expectations in all aspects of what we do.

* Further detail on our *Inhabit* activities is included in the relevant sections throughout this report.

Managing our energy consumption

We mitigate our carbon footprint from our business travel through our strategic partnerships with Trees for Cities and Woodland Trust in the UK and Greenpops in South Africa. In the UK office we have implemented a comprehensive behaviour change programme that has increased our recycling by 209%. Furthermore, we collected 1 435 kg of food waste in our first year of collecting it, thereby reducing our landfill gas emissions into the atmosphere.

Commitment to our clients

Clients are at the core of our business and we strive to provide them with a high quality of service by being nimble, flexible and innovative.

We strive to create business depth by building deep durable relationships with our clients and creating new client relationships. In the past year, customer deposits increased 4.1% (2018: 6.5%). We successfully launched Investec for Business (an integration of our import solutions, trade finance and specialised lending services) to provide a more cohesive offering to smaller to mid-tier companies in South Africa. This will be complemented by a corporate and business transactional banking offering, which will be rolled out over the coming year. In the UK, we are deepening and growing our corporate client base and the Private Banking business is focusing on retention and acquisition of target market clients, and further collaboration across businesses.



Increase in customer deposits*

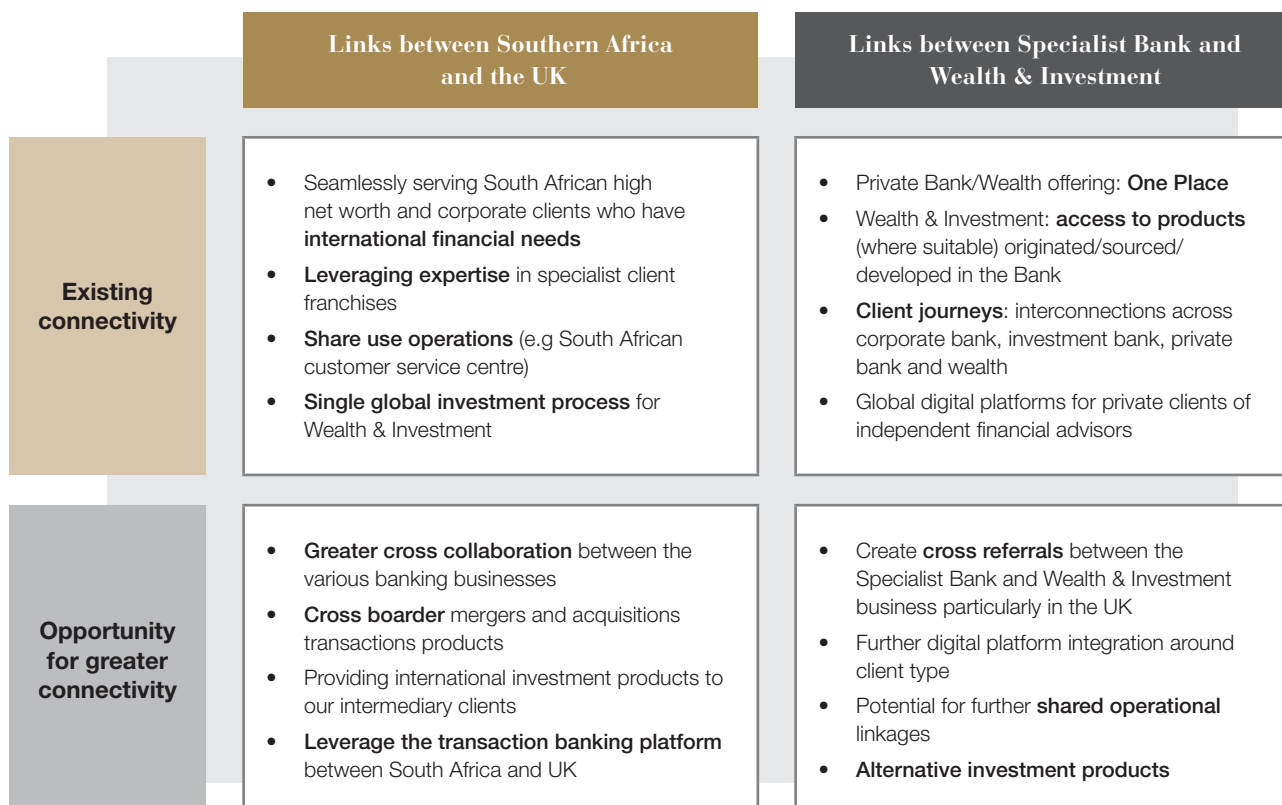


Decrease in customer complaints in Private Banking in South Africa*



Increase in our customer logins*

Our integrated client centric strategy leverages off the natural linkages within the private client businesses and the corporate banking businesses.



* As at 31 March 2019.

Technology is both a business enabler and a catalyst for continuous improvement in executing our strategies in a digital era.

Highlights for the year

- Refreshed private client web and app experience globally
- Launch of Investec for Intermediaries (unified digital interface) in South Africa
- Launch of business banking platforms in both the UK and South Africa
- Launch of Investec Open API which brings Investec into the open banking arena and provides Investec with a new channel to distribute and service our products in the UK
- Launch of a high net worth mortgage lending platform in the UK
- Launch of a dedicated advisor platform for intermediaries to our UK financial products business.

Digital strategy

Our digital strategy is centred on optimisation and transformation of our existing businesses, while ensuring we maintain a strong client centric focus.

We aim to provide:

- A visible client facing digital capability
- End-to-end internal digitalisation
- A strong connectivity into the external business ecosystem.

In the past few years, we have created an international high-tech, high-touch digital platform for clients. Through this, we give our clients access to our full suite of international banking and investment services, enabling them to create, grow, preserve and protect their wealth. We are continually enhancing and evolving our client digital platforms to ensure a seamless, integrated client service experience, which now includes a dedicated Investec for Intermediaries, and a business banking experience.

