

Investec's group environmental policy and climate change statement

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1. Introduction

We seek to build resilient profitable businesses that support our clients and enable them to grow their businesses while contributing in a positive and responsible way to the health of our economy, our people, our communities and the environment.

2. Our purpose

Investec's purpose is to create enduring worth, living in, not off, society.

3. Scope

Investec, comprising Investec plc and Investec Limited, partners with private, institutional and corporate clients to offer international banking, investments and wealth management services in two principal markets: South Africa and the United Kingdom, as well as certain other countries.

4. Commitment to sustainability

Our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment and society. We play an important role in funding (both lending and investing) a sustainable economy that is cognisant of the world's limited natural resources and promotes carbon reduction. We integrate environmental, social and governance (ESG) considerations into our day-to-day operations and decision-making to support a sustainable, long-term vision. The greatest socio-economic and environmental impact we can have is to partner with our clients and stakeholders to accelerate a cleaner, more resilient and inclusive world. As a result, we are focused on positively contributing to the delivery of the Sustainable Development Goals (SDGs).

We are committed to respecting human rights, using internationally recognised principles and voluntary standards to guide us in our consideration of ESG aspects. The following are some that are specific to climate:

- 2030 Agenda and the UN Sustainable Development Goals
- UN Global Compact
- International Finance Corporation guidelines to assess high and medium risk industries
- OECD Guidelines for Multinational Enterprises and export credits
- CDP (formerly known as the Carbon Disclosure Project)
- Task Force on Climate-related Financial Disclosures
- Bankers Association of South Africa (BASA) guidelines for social and environmental risk
- United for Wildlife Financial Taskforce
- International and local laws and regulatory frameworks relating to environmental standards.

We fully apply the key provisions of the Equator Principles (EP). We are not currently a signatory due to the low number of transactions that Investec does in non-designated countries. All transactions done in non-designated countries are EP monitored and compliant. Please refer to our latest Sustainability and ESG Supplementary Report available on our website for more information.

We have zero risk tolerance for activities:

- that are in contravention of any international and/or local laws and conventions of the countries where Investec or the counterparty operate
- that are in non-compliance with human rights, and especially non-compliance with the rights of local communities and indigenous peoples
- that are in non-compliance with minimum standards for occupational health and safety and the relevant local legislation
- that use child labour, forced labour, modern slavery or human trafficking (as defined by international standards, including the International Labour Organisation and the UK Modern Slavery Act 2015)
- that involve pornography or prostitution
- that exploit high conservation value areas and UNESCO world heritage sites (for example any national park)
- that involve projects in environmentally high-risk areas, for example but not exclusively related to tar sands exploitation, Arctic drilling, and drilling in the Amazon rain forest
- where environmental and social risks are not being managed including for example but not exclusively: water use, wastewater management, air emissions, solid waste, spill response/clean-up operations, site restoration and community/stakeholder management.

5. Climate change commitment

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. We believe that as a specialised financial services organisation and given our positioning in the developed and emerging worlds, we have the opportunity to make a meaningful impact in addressing climate change.

We 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. We also recognise the urgency and need to accelerate action which has been incorporated into our approach.

Investec plays an important role in funding a sustainable economy that is cognisant of the world's limited natural resources and promotes carbon reduction. Climate change could directly affect our operations, communities and clients through increasing severity of weather events (physical risks), or indirectly through legislative, regulatory or policy responses, such as carbon pricing and climate change adaptation or mitigation policies (transition risks). Bank lending and investments contribute essential capital for carbon intensive industries and is critical for accelerating development in renewable and clean energy. We also have an important role to play in terms of advocacy and collaboration and our CEO, Fani Titi, is one of 30 CEOs from around the world involved in the UN Global Investors for Sustainable Development (GISD) programme.

We understand the importance of various industries, including the energy sector, for the global economy. We have a global business and operate in both the developed and

developing world with varying economic, social and environmental contexts. We need to find a balance between the need for increasing energy access and economic growth (particularly in our South African 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. As such, 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 (for example poverty, growth, unemployment and carbon impact). This transition cannot be done 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, zero-carbon world in a way that is most responsible for all participants.

6. Approach to net-zero

As a specialised financial services organisation with a small physical presence, the direct environmental and social impacts of Investec's daily operations are limited. We embrace our responsibility to understand and manage our own carbon footprint. In February 2020 we achieved net-zero carbon status in our Scope 1 and 2 (and part of Scope 3, for example business travel) emissions and committed to ongoing carbon neutrality. Our priority is to avoid, then limit and minimise our direct carbon impact from day-to-day operations as well as create awareness to encourage positive sustainable behaviour among our stakeholders. This may include procuring energy from renewable sources or acquiring renewable energy certificates. Only then will we offset our remaining carbon dioxide emissions to ensure a net-zero direct carbon impact. We also continue to reduce our historic carbon impact through our various voluntary community initiatives.

In terms of Scope 3 financed emissions, 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. We also support the development of innovative solutions that will help accelerate a decarbonised economy. We are working to understand the carbon emissions from our Scope 3 activities by participating in international alliances like the Partnership for Carbon Accounting Financials.

We focus on protecting biodiversity and promoting the well-being of our planet. Environmental considerations are incorporated when making lending and investment decisions, as outlined in Section 4 above. Furthermore, where appropriate, we 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.

7. Environmental management system

Investec recognises that effective environmental management is an essential part of embedding this commitment into the organisation. We have an effective environmental management system (EMS) aimed at minimising our direct operational impact. Our EMS reporting tool tracks and manages our direct operational impact. This tool imports data

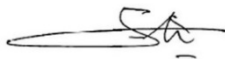
from various sources, consolidates the information and calculates our carbon footprint. The implementation of this tool allows us to produce reliable emissions data, accurately build a history of our carbon footprint and assists in setting targets for future emissions.

8. Commitment in terms of our direct impact

All areas within the above EMS are assessed to determine how they impact on the environment and necessary objectives and operational controls are implemented to ensure continual improvement in environmental performance. Specifically, Investec is committed to:

- complying with all the applicable environmental legislation and relevant compliance obligations
- ensuring, as far as possible, the security of natural resources in all operations
- implementing feasible possibilities to continue reducing overall energy consumption and considering viable solutions to draw energy from renewable sources
- reducing and eliminating emissions arising from transport use
- minimising water wastage, encouraging responsible water consumption and ensuring water is responsibly sourced
- implementing all feasible possibilities to avoid, reduce, reuse and recycle waste and gradually eliminating single-use plastic where possible
- preventing and reducing pollution in and around our buildings and minimising any direct activities from polluting the local environment
- using raw materials and utilities as efficiently as possible
- encouraging and embedding sustainable procurement practices and considering products and services to reduce our carbon impact and technologies to improve our carbon footprint
- increasing staff awareness so they may personally contribute to Investec's goals
- monitoring Investec's environmental performance on a regular basis and benchmarking to international peers
- reporting the company's environmental performance on a regular basis, including through our participation in the CDP
- engaging with stakeholders on environmental issues on a regular basis.

To ensure these commitments and objectives are achieved, Investec will ensure that its workforce, and those working for, or on behalf of, the organisation, are kept aware of this policy and their individual responsibilities within it, and that they are given appropriate training where required.



Fani Titi
CEO of Investec Group
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