Investec

OUT OF THE ORDINARY

Built on strong foundations

Climate-related financial disclosures 2022

Reporting in accordance with the recommendations of the TCFD
(Task Force on Climate-related Financial Disclosures)

REASONABLY ASSURED INFORMATION
Denotes selected information that has been externally reasonably assured. Refer to the KPMG assurance report, in the Investec Group 2022 sustainability report for details on the scope of the assurance

PAGE REFERENCES
Refers readers to information elsewhere in this report or to the Investec Group's 2022 suite of annual reports

WEBSITE
Indicates that additional information is available on the Internet. Click on links in the report

REPORTING STANDARD
Denotes our consideration of a reporting standard

VIEWING THIS REPORT

This interactive PDF is best viewed in Adobe Acrobat for desktop, mobile or tablet*.

Click to download or update to the latest Adobe Acrobat Reader.

* *Functionality may differ according to device and app version used.*

NAVIGATING THIS REPORT
Navigation tools are provided at the top of every page:

Home | Back | Previous page | Next page

Feedback
We value feedback and invite questions and comments on our reporting. To give feedback on this report, please contact our Group Sustainability division.

For queries regarding information in this document
Group Sustainability
Telephone: (27) 11 286 7000
E-mail: group.sustainability@investec.co.za
www.investec.com/corporatesustainability

Contents

01

A note from the Chief Executive

> “We will no longer wait for the slowest and least ambitious. We’ll turn climate change from a cost factor to competitive advantage.”
>
> German Chancellor, Olaf Scholz, at the World Economic Forum (WEF)

"Two of the greatest challenges the world faces are climate change and inequality. Having grown up in abject poverty, I care deeply about bettering the lives of people and the health of our planet."

Fani Titi,
Chief Executive

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

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

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

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

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

Net-zero ambitions: We have embarked on a focused project to understand our Scope 3 financed emissions and establish a baseline, strategies and targets to reach net-zero. More detail on this is available throughout this report. As much as we believe we have improved our transparency and level of disclosure, we acknowledge that the transition to net zero is exceptionally challenging.

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

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

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

We continue to participate in many industry initiatives as reported on page 123. Our efforts from the past 21 years of positioning Investec as a responsible corporate were recognised through our inclusion in a number of world-leading indices such as the MSCI ESG ratings where we score in the top 1% in the financial services sector, and Sustainalytics where we score in the top 13% of all globally assessed companies.

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

Fani Titi
Chief Executive

We have embarked on a focused project to understand our Scope 3 financed emissions and establish a baseline, strategies and targets

to reach net-zero

Coal exposure was

2.74%

of our total energy lending portfolio **(2021: 4.00%)**

02

Our positioning on climate change

We recognise the complexity and urgency of climate change and consider the risks and opportunities that it presents to the global economy. We support the Paris Agreement's goals of holding the increase in the global average temperature to well below 2°C compared to pre-industrial levels and of pursuing efforts towards limiting it to 1.5°C.

A note from the Global Head of Sustainability

"Reflecting back on the past year, I am proud of many achievements we have made in accelerating our sustainability journey but the one I am most proud of is the fulfilment of our Board's commitment to disclosing our Scope 3 financed emissions. This decision catapulted a massive project internally to immerse ourselves in understanding our climate impact on the world, and conversely, the impact of climate on our business."

Tanya dos Santos,
Global Head of Sustainability

In considering our climate strategy, the decisions the Group faces are not only limited to our planet but may simultaneously have a profound impact on humanity. It would be dangerous for us to prioritise the one over the other and hence we apply a balanced approach that is embedded in our responsibility to address both climate and societal issues at the same time. As a result, we find ourselves navigating multiple pathways with many uncertainties as we aim steadfast for a just and equitable climate transition.

One of our enduring beliefs is that, as a financial institution with a strong presence in both the developed and developing world, we must use our influence to help steer our respective economies towards a net-zero carbon world, albeit at a different pace given the local realities we face. Accordingly, the Group signed up to the Net Zero Banking Alliance at the end of 2021, to not only strengthen our commitment to a net-zero carbon world but challenge ourselves to direct financial flows towards an overall positive impact for our planet and our societies. Similarly, Investec Wealth & Investment committed to Climate Action 100+ where we engage with boards and senior management to implement strong climate change risk governance, take action to reduce GHG emissions, and provide enhanced climate disclosures.

As a result, we have a much more comprehensive Taskforce on Climate-related Financial Disclosures (TCFD) report, and contains the inaugural disclosure of our financed emissions within the Group's material asset classes. Unfortunately, a comprehensive report also means a longer report which can seem quite daunting to readers. This can be attributed to the multiple challenges we faced with regards to data availability, resulting in the application of many carefully considered assumptions and estimates. We hope that you can appreciate the commitment we have made to detailing our findings and assumptions, and our acknowledgement that we are only just starting to scratch the surface of climate reporting.

Lastly, we remain committed to meaningful reporting and we encourage and welcome feedback from all stakeholders with recommendations on how to improve our disclosures. Our sustainability ambition remains steadfast: we will continue to accelerate our efforts towards a cleaner and healthier society that supports regenerative economies and creates a resource-rich, inclusive and equitable world.

Snapshot on climate action

100%
renewable energy usage across our global operations, resulting in carbon neutrality for the past 4 financial years through the purchase of renewable energy certificates

46.9%*
of renewables within our energy lending portfolio
(March 2021: 54.5%)

Launched a
solar offering
to our private clients in South Africa

0.10%
lending to coal as a % of gross core loans and advance globally
(March 2021: 0.17%)

1.99%*
lending to fossil fuels as a % of gross core loans and advance globally
(March 2021: 1.92%)

Investec Bank Limited issued a
Green bond
to the value of R1bn
(3.8 times oversubscribed)

Zero appetite for funding export coal
within our Investec Limited operations

Investec plc committed to
zero coal exposure
in the next three to five years

Investec Bank Limited closed a
$600mn
sustainability-linked term loan facility
(2.5 times oversubscribed)

Founding member of
Sustainable Trading,
an inclusive membership network driving positive change in environmental, social and governance (ESG) practices within financial markets trading

Investec Bank plc closed a
$600mn
sustainability-linked term loan facility
(2.8 times oversubscribed)

Scope 3 emissions

1 771 333 tCO_2e
for the Group

Six asset classes
measured in terms of climate emissions and climate alignment pathways:

- **Residential real estate** ✓
- **Commercial real estate** ✓
- **Mortgages** ✓
- **Motor vehicles** ✓
- **Aviation** ✓
- **Power generation** ✓
- **Cement** ✗
- **Steel** ✗

For more information on our financed emissions, refer to page 113

* *Over the past year, we have seen an increase in our total fossil fuel exposures as a result of an increase in our oil exposures in South Africa and our natural gas exposures in the UK as we move away from coal.*

Our climate journey

1st
sustainability report published in **2002**

1st
bank in South Africa to report according to the TCFD recommendations in 2019

14 years
reporting to the CDP (formerly known as the Carbon Disclosure Project)

2002
Published our **first sustainability report,** including environmental considerations

2004
Investec becomes a constituent of the **JSE Socially Responsible Investment Index**

2006
Investec becomes a constituent of the **Dow Jones Sustainability Investment Index**

2009
Submit **first CDP response**

2012
- Johannesburg Stock Exchange SRI Index
- **FTSE4Good Index**

2013
- CDP Gold recognition status for a score of A-
- Inclusion in **CDP Leadership Index** (Top 11 in South Africa across all sectors)

2014
Joined the **UN Global Compact**

2015
One of the five companies in South Africa and 113 companies globally to make the CDP 2015 **Climate A List**

2018
Committed to the **UN SDGs** and created a Group SDG framework

2019
- CEO, Fani Titi joined the **UN GISD**
- **Public support** for the TCFDs (1st Bank in South Africa and 8th Bank in the UK)

2020
- **Carbon neutral** within our operations
- **Public fossil fuel policy drafted**
- Published first standalone **TCFD report**
- One of eight banks to sign up to **PCAF** UK and the 2nd bank to sign up to PCAF South Africa
- Signed up to **UNEP FI** and the Principles for Responsible Banking (UN PRB), and the **UN PRI**
- **Climate resolution** passed at the AGM with >95% vote

2021
- Linked **Executive remuneration** to ESG KPIs
- Created a **sustainable finance framework**
- First **Sustainability-Linked Loan** for Investec
- **Climate resolution** on Scope 3 financed emissions passed with 99.9% vote
- Wealth & Investment (W&I) joined **Climate Action 100+**
- Signed up to the **Net-Zero Banking Alliance**

2022
- W&I **publishes first standalone sustainability report**
- W&I signed up as a **CDP Signatory** and joined the Non-Disclosure campaign and joined the CISL Investment Leaders Group
- W&I founding member of **Blue Accelerator programme**
- We joined the **UN PRB Academy committee**
- Investec plc **commits to zero coal in the next 3 – 5 years**

Net-zero climate impact roadmap

We are committed to achieving net-zero climate impact by 2050, or earlier while understanding the incorporated complexities

Baseline emissions

Scope 1:	**184**
Scope 2:	**24 640**
Scope 3 (operational):	**4 473**
Total operational:	**29 297**
Total offsets:	**(29 495)**
Total operational after offsets:	(198)
Scope 3 (financed emissions):	1 771 333

Investec plc:
Zero coal exposures

Investec Limited:
Zero export thermal coal exposures

Investec Group:
- Maintain carbon neutrality within our own operations
- Continue to monitor our fossil fuel exposures and minimise where possible
- Manage our financed emissions – by limiting our exposures to carbon intensive industries
- Focus on our core SDGs in financing opportunities
- Advocacy towards accelerated climate action

2020 | 2025 | 2030 | 2040 | 2050

Short-term (0 – 1 year) | **Medium-term (1 – 5 years)** | **Long-term (5 – 40 years)**

How we are getting there

1 Positively contribute to the Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

Leverage opportunities to maximise our impact in our chosen SDGs, with a specific focus on climate action

2 Operating responsibly and ethically and within the planetary boundaries

Manage our financed emissions within the boundaries of the country limits and policies where we operate, with a particular focus on minimising fossil fuels

Maintaining carbon neutrality within our own operations

CARBON NEUTRAL

3 Partnering with our clients and philanthropy partners to maximise positive impact

Working with our clients to meet their net-zero ambitions

ESG Advisory services

Environmental | Social | Governance

4 Providing profitable, impactful and sustainable products and services

Through our sustainable finance framework, which incorporated LMA and ICMA principles

International Capital Market Association | The Sustainability Bond Guidelines | The Green Bond Principles | The Social Bond Principles

5 Actively advocating for industry alignment and best practice

Net-Zero Banking Alliance | Climate Action 100+ | PCAF Partnership for Carbon Accounting Financials

Summary of our metrics, targets and strategy

		Within our business			
		Lending collateralised by property (commercial and residential real estate)	**High net worth (HNW) lending (mortgages and motor vehicle finance)**	**Corporate lending (power generation, asset finance, motor finance and aviation)**	**Within our operations**
Metrics	**Current absolute emissions (tCO_2e)**	781 414	898 013	90 253	• Carbon Neutral • 29 297 (before renewable energy certificates and carbon offsets)
	Current exposure to high-risk sectors	**Investec Group** 7.2% (2021: 7.2%)	**Investec Limited** 5.2% (2021: 5.2%)	**Investec plc** 7.5% (2021: 9.7%)	
	Current exposure to fossil fuels		• Coal as a % of core loans and advances 0.10% (2021: 0.17%) • Fossil fuels as a % of core loans and advances 1.99% (2021: 1.92%)		
Targets	**Short-term (0 – 1 year)**	**Within Investec Limited and Investec plc:** • Provide climate finance to enable the climate transition • Offer sustainability-linked financing products **Within Investec Limited:** • Assess our property portfolio to improve the data quality score by sourcing actual square meterage and where possible energy usage **Within Investec plc:** • Assess our property portfolio within the various Energy Performance Certificates (EPCs) ratings, to improve our data quality score	**Within Investec Limited:** • **Monitor the uptake of our solar offering** with the aim to reduce our financed emissions within our mortgage portfolio. **Within Investec plc:** • Measure our mortgage portfolio's distribution in terms of EPC ratings	**Within Investec Limited and Investec plc:** • Deliberate focus on financing renewable and clean energy • Deliberate focus on minimising fossil fuel exposures where possible **Within Investec Limited:** • Committed to **zero funding for export thermal coal** **Within Investec plc:** • Continue to reduce our exposure to coal	**Within Investec Limited and Investec plc:** • Continue to maintain **carbon neutrality** within our operations • Continue to reduce our emission intensity where possible • Actively participate in local and international memberships that promote action towards net-zero • Make use of cloud services for our IT infrastructure through vendors that are net-zero aligned
	Medium-term (1 – 5 years)	**Within Investec Limited and Investec plc:** • Continue to assess our commercial and residential real estate portfolio's exposure to physical climate risk **(currently < 5% of our portfolio is exposed to physical risk under extreme weather conditions)** • Continue to look for opportunities to fund Grade A or Green star rated buildings • Support our clients on their net-zero ambitions through innovative sustainability-linked funding offerings	**Within Investec Limited and Investec plc:** • Continue to assess our mortgage portfolio's exposure to physical climate risk **(currently < 5% of our mortgage portfolio is exposed to physical risk under extreme weather conditions)** • Look at sustainable and innovative funding solutions for our mortgage clients and apply due-diligence in line with the net-zero ambitions of the countries we operate in **Within Investec Limited:** • Advocate for more stringent policy requirements on energy efficiency within homes, and mandatory EPCs to be made available for more accurate calculations of emissions. **Within Investec plc:** • Look for opportunities to use smart–metering systems to source more accurate energy usage within our mortgage portfolio	**Within Investec Limited and Investec plc:** • Deliberate focus on financing renewable and clean energy • Provide climate finance to enable the climate transition • Proactively work with our clients and supply chain to meet their net-zero ambitions **Within Investec Limited:** • Maintain a minimal exposure to fossil fuels **Within Investec plc:** • Commit **to zero coal exposure**	**Within Investec Limited and Investec plc:** • Embed climate risk and opportunities into our culture and decision-making • Refine our internal carbon price as to include this when deals are presented at the various credit committees
	Long-term (5 – 40 years)	**Within Investec Limited and Investec plc:** • Maintain alignment to policy towards net-zero pathways within the countries we operate in		• Deliberate focus on financing renewable and clean energy	**Within Investec Limited and Investec plc:** • Continue to maintain carbon neutrality within our operations
Strategy		• Proactively work with our clients to meet their net-zero ambitions • Leverage opportunities to maximise our impact in our chosen SDGs, with a specific focus on climate action • **Launch a targeted project to calculate our sustainable finance lending activities within each of our core SDGs** • Continue to enhance our disclosure on financed emissions in terms of accuracy and completeness as methodologies evolve • **Continue to measure out alignment and our ambition to be net-zero by 2050 or sooner**			Ensure the security of natural resources in all operations, draw energy from renewable sources where possible, and source only from responsible suppliers.

Our climate change position statement and approach to net-zero

Our position on climate change stems from the belief that as a specialist bank and wealth manager the greatest impact we can have is to partner with our clients to decarbonise their activities and to offer sustainability products and services that help accelerate a cleaner, healthier world. Our environmental policy considers the risks and opportunities that climate change presents to the global economy. We recognise the complexity and urgency of climate change and therefore commit to ongoing carbon neutrality within our direct global operations and committed to net-zero emissions within our financing activities.

Our Group's overall environmental and climate approach

Our approach is to support the transition to a cleaner, more energy efficient and sustainable global economy that is conscious of its use of limited natural resources. We recognise the complexity and urgency of climate change.

We support the transition to a net-zero carbon economy while 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 net-zero carbon economy. The transition cannot be done in isolation of 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, net-zero carbon world which is most responsible for all participants.

10 REDUCED INEQUALITIES | 13 CLIMATE ACTION

We support the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C compared to pre-industrial levels and pursuing efforts towards limiting it to 1.5°C

7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES

We embrace our responsibility to understand and manage our own carbon footprint and maintain carbon neutrality within our direct operations

We achieved carbon neutral status in our Scope 1, 2 and operational Scope 3 emissions for the fourth financial year and continue our commitment to ongoing carbon neutrality.

7 AFFORDABLE AND CLEAN ENERGY | 13 CLIMATE ACTION

We have an important role to play in terms of advocacy and collaboration

We participate in a number of memberships, workshops and taskforce groups internationally that share learnings and promote a cohesive approach for the financial sector.

17 PARTNERSHIPS FOR THE GOALS

Within our specialist banking business

We acknowledge that the widest and most impactful influence we can have is to manage and reduce our carbon emissions in the business we conduct, and more specifically in our lending and investment portfolios (Scope 3 financed activities). Part of this involves setting short-, medium- and long-term targets to reach net-zero carbon emissions. We do this through a geographic approach that aligns with our presence in both developed and developing economies. As such, we are using the Partnership for Carbon Accounting Financials (PCAF) the Paris Agreement Capital Transition Assessment (PACTA) and the Science Based Target initiative (SBTi) methodologies to measure our financed emissions to establish a baseline towards a net-zero path. We are building capacity within our specialist skills in advisory, lending and investing to support our clients and stakeholders to move as quickly and smoothly as possible towards a net-zero carbon economy. Environmental considerations are incorporated when making lending and investment decisions. This year, we launched various sustainable finance products and updated our sustainable finance framework. We also focus on protecting biodiversity and promoting the well-being of our planet.

Within our wealth and investment business

We acknowledge that sustainability is core to our fundamental investment approach. We subscribe to the Code for Responsible Investing in South Africa (CRISA), the UK Stewardship Code and are a signatory of the United Nations Principles for Responsible Investment (UN PRI). ESG considerations are integrated into our investment decision making and broader investment process. Our aim is to make investments that can be held for the long term and, as part of our fiduciary responsibility, we acknowledge that ESG considerations can affect the performance and longevity of our underlying investment portfolios. Our research team incorporates ESG factors into our investment analysis as standard across all asset classes. This is strengthened by the use of Sustainalytics, a global leader in ESG research and risk metrics. Sustainalytics provides information on non-financial measures such as a company's environmental credentials, business ethics, and exposure to human rights issues.

Our progress against the TCFD recommendations

We recognise and support the recommendations of the Financial Stability Board's TCFD requirements to disclose clear, comparable and consistent information. This is the third year Investec has reported according to the TCFD recommendations.

As we build a better understanding, we continue to improve our disclosures regarding ESG and climate-related risks and opportunities. We aim to be transparent in our reporting by providing our stakeholders with balanced and accurate information regarding our approach to climate change and net-zero carbon emissions, as well as managing the associated risks and opportunities.

Governance

We have expanded our governance disclosures to incorporate all committees and forums that address climate risk

Strategy

We have used PCAF, PACTA and SBTi to calculate our financed emissions and recommended future pathways up to 2050

Risk management

- We have assessed our transition risk within sensitive climate sectors
- We have assessed our physical risk within our operations
- We have assessed our physical risk within Investec Limited and Investec plc real estate portfolios

Metrics and targets

- We have calculated and disclosed our financed emissions within material asset classes
- We have set short-, medium- and long-term targets

Our climate change framework: transitioning to a net-zero carbon economy

Governance

Board of Directors

At the highest governance level, the Board has the ultimate responsibility to monitor how well the Group is operating as a responsible organisation. This includes considerations around climate-related risks and opportunities when reviewing the Group strategy.

Board-appointed committees

The Board is supported by various Board-appointed committees with each committee contributing in their specialised capacity to climate- and environmental-related risks and opportunities. These include:

- DLC Social and Ethics Committee (DLC SEC)
- DLC Board Risk and Capital Committee (DLC BRCC)
- DLC Audit Committee
- DLC Remuneration Committee.

Executive responsibility

For climate-related risks and opportunities, the Chief Executive, Fani Titi, takes ultimate executive responsibility for all climate-related and sustainability (including ESG) matters.
The Chief Executive is supported by the:

- Group ESG Executive Committee that reports relevant ESG matters to the DLC SEC and Group Executive Risk Committee (ERC)
- Executive responsibility within the Specialist Bank
- Executive responsibility within Wealth & Investment.

Management responsibility

- Global Head of Sustainability
- Investec Bank Limited and Investec Bank plc Executive Committees
- W&I International Sustainable Investment Forum.

Publicly available policies and statements

- Group environmental policy and climate change statement
- Group fossil fuel policy
- Group operational resilience statement.

Strategy

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

- Acknowledging the urgency of climate change by ensuring our approach is aligned to the Paris Agreement goals, taking into consideration the social considerations to promote a just and fair energy transition
- Minimising our direct negative carbon impacts and committing to ongoing carbon neutrality
- Investing in products, services and businesses that help accelerate the transition
- Supporting our clients as they transition their business operations and offerings
- Engaging with stakeholders to inform our climate strategy as it evolves
- Actively participating in industry discussions to ensure an aligned and comprehensive approach.

Risk management

Our approach to managing the risks from climate change is continually evolving as we improve our understanding of this complex and interconnected risk. We are also aware of the enormity of the challenge with many improved tools and resources becoming available as this area of risk evolves.

Compliance and screening

- We identify climate risks by integrating ESG considerations into our day-to-day operations
- We assess climate risks and whether they are being prevented, managed or mitigated to ensure responsible lending and investing.

Risk management

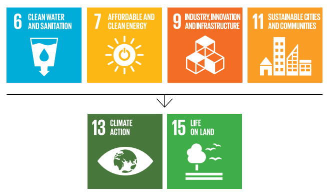
We see climate risk as a material risk associated with rapidly changing weather events (physical risk) or market shifts as a result of regulatory and policy changes (transitional risk), or the risk from climate change breaches of underlying legal frameworks (litigation risk).

Environmental management

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

Business opportunities

- We use our specialist skills in advisory, lending and investing to support clients' sustainability ambitions
- We have expertise and focus on financing infrastructure solutions that promote renewable and clean energy, and green buildings
- Through our approach to the SDGs, we can accelerate sustainable finance that supports a net-zero carbon transition.



Metrics and targets

- We have committed to ongoing carbon neutrality in our direct operations
- We follow the recommendations set out by the TCFDs and the regulatory guidance in our two core jurisdictions
- We disclose our full energy lending portfolio including fossil fuel exposures across the Group
- We disclose our financed emissions in our most material asset classes
- We include non-financial and ESG-related targets within executive remuneration.

Our commitment to biodiversity

Biodiversity is the foundation of all that sustains our world and society, which is critical for addressing climate action (SDG 13) and reduced inequalities (SDG 10), our two impact SDGs. This is fundamental to the sustainable success of our business. Our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment, and society.

We acknowledge the clear link between climate change and biodiversity loss, and our exposure to multiple types of biodiversity-related risks though our business and operational activities. Healthy, biodiverse, resilient ecosystems play a key role in preventing disruption to society and the markets within which our businesses operate.

In principle, we have zero tolerance for activities that exploit conservation areas or have an irreversible negative impact on the environment, indigenous people or natural assets; we are committed to integrating biodiversity in lending and investment decisions; we use our specialised skills to advise clients and stakeholders on reducing negative impact and enhancing biodiversity enrichment; and we influence positively the environmental and social impact of our daily business operations. We also make a positive impact on biodiversity through our environmental philanthropy and reduce negative effects by addressing financial crimes related to illegal wildlife trade.

For more information refer to our Investec Group 2022 sustainability report on our **website**

Reporting frameworks

We report according to global frameworks in line with best practices

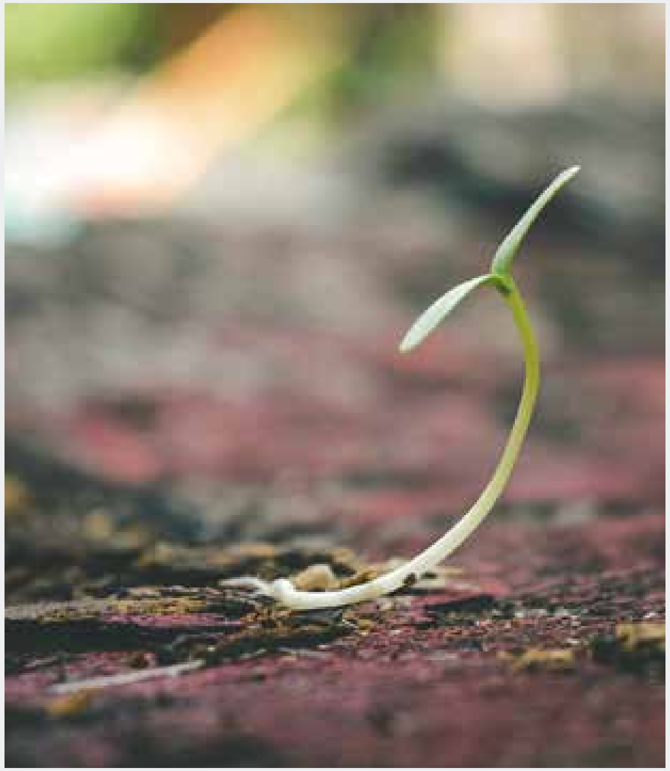
We are signatories of the United Nations Principles for Responsible Investment (UN PRI) and the United Nations Environment Programme Finance Initiative (UNEP FI) and report according to the United Nations Principles for Responsible Banking (UN PRB)

Investec was the first bank in South Africa and the 8th Bank in the UK to pledge our support towards the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

We have been reporting annually to the CDP since 2009

Although not a signatory to the Equator Principles (EP), we support their requirements and include our EP disclosures in our sustainability and TCFD reports

We have been reporting according to the Global Reporting Initiative (GRI) since 2006 and align to the Sustainability Accounting Standards Board (SASB) (publicly available on our website)



Stakeholder engagement

Strong partnerships and understanding are essential to the creation of enduring worth. To be the best we can be, and to understand stakeholders' needs, we work hard to establish the most effective ways of engaging with them. Engagement is important to us because it means we can understand stakeholder views and are able to respond in a meaningful and impactful way. We gather feedback through continuous dialogue with our stakeholders throughout the year to gain an intimate understanding of their needs. It's only through this varied dialogue that we can improve as a business, consider our strategy and deliver on our purpose. As detailed on the pages that follow, the Board's oversight of engagement with our stakeholders informs their principal decisions during the year.

Government and regulators | **ESG analysts and climate-focused industry bodies** | **Suppliers**

Investors | **Clients** | **Communities** | **Our people** | **Our Board**

What matters to our stakeholders	How we responded over the past year	Stakeholders	How we engage
Our commitment to net-zero carbon emissions	• Signed up to the Net-Zero Banking Alliance (NZBA) • Founding member of the African Natural Capital Alliance (ANCA)		• Group and silo entities provide factsheets on sustainability • Twenty-first sustainability report • Third TCFD report • Second UN PRB report • Second disclosure aligned with the SASB requirements • Comprehensive sustainability website • Comprehensive ESG disclosures • Regular knowledge sharing on ESG industry standards • Regular and active participation in a number of ESG and climate forums.
Responsible investment practices	• Wealth & Investment issued their first report to the UN PRI • Wealth & Investment became a formal CDP signatory and participate in the CDP Non-Disclosure campaign • Wealth & Investment became a member of Climate Action 100+ which has further bolstered their engagement activities		
Our climate change position statement and climate change framework	• Measured the carbon intensity within our Scope 3 lending and investment portfolios using the PCAF and PACTA methodologies • Assessed pathways towards net-zero using the SBTi.		
Indirect climate change impact through our loan book and investment portfolios	• Continued to engage with our clients to understand the carbon intensity of their business and to support them in implementing carbon reduction targets • Calculated and published our Scope 3 baseline emissions for material asset classes and assessed our transitional risk in these asset classes • Set strategic targets for the short-, medium-, and long-term • Launched an ESG advisory arm to support our clients in their net-zero transition		
Addressing ESG risks within our business	• Automated ESG screening incorporated into the Investec plc risk management process and continue to work on automating this process within Investec Limited		
Reporting in line with industry standards	• Published our third standalone TCFD report • Reported in line with the UN PRB, GRI and SASB • Performed a gap analysis of the newly released Johannesburg Stock Exchange (JSE) Sustainability and Climate Change disclosure standards		
Exposure to fossil fuels and climate vulnerable industries	• Disclosed our fossil fuel exposures and our exposure to climate sensitive industries • Investec Bank plc committed to zero coal lending exposures in the next three to five years		
Managing and mitigating climate change impact within our operations (direct impact)	• Affirmed our commitment towards carbon neutrality in our direct operations and now source 100% of our Scope 2 emissions from renewable energy sources through the purchase of renewable energy certificates • Hosted a number of internal environmental sessions to create a dedicated value for our environmental obligations • Assessed and evaluated our physical climate risk across our global operations		
Climate-related expertise within our business	• Rolled out a general ESG training module for our staff • Thirty-one members of staff are signed up in the UN Global Compact academy where they are able to accelerate their knowledge on a variety of sustainability topics		
Supply chain monitoring and engagement	• Strengthened our supply chain monitoring by screening all IT suppliers for ESG and ethical conduct through our onboarding system		

03 Governance

Sound corporate governance is implicit in our values, culture, processes, functions and organisational structure. Our values require that directors and employees behave with integrity, displaying consistent and uncompromised moral strength in order to promote and maintain trust.

TCFD disclosure guidance

Responsibility of the Board 1a

Responsibility of Board-appointed Committees and executive members 1a
- DLC Social and Ethics Committee (DLC SEC)
- DLC Board Risk and Capital Committee (DLC BRCC)
- Audit Committee
- DLC Remuneration Committee
- Chief Executive responsibility
- Group ESG Executive Committee
- Executive responsibility within the Specialist Bank
- Executive responsibility within Investec Wealth & Investment

Executive remuneration

Management role 1b

Policies

Climate-related and sustainability (including ESG) matters through an integrated approach 1b

Our approach to climate change is integrated across our Board, executives, management and businesses

Board-level governance

DLC Board (Investec plc and Investec Limited)
Establishes the purpose of the Group, incorporates climate-related and sustainability (including ESG) matters when reviewing and guiding strategy and strategic aims. Monitors and oversees progress against climate-related goals, targets, and ambitions

DLC Social and Ethics Committee (DLC SEC)	DLC Board Risk and Capital Committee (DLC BRCC)		DLC Audit Committee	DLC Remuneration Committee
Takes responsibility for monitoring the non-financial elements of sustainability and the Group's performance in terms of climate-related and sustainability (including ESG) matters	Oversees and signs off on the Group's risk management policies. They are also responsible for managing the principal risks of the Group of which climate-related risk is explicitly listed		Considers financial and non-financial disclosures and oversight to adhering to climate-related reporting regulations	Establishes and monitors climate-related performance targets for remuneration
	Investec Bank plc (IBP) BRCC Manages the principal risks within IBP of which climate-related risk is explicitly listed	**Investec Bank Limited (IBL) BRCC** Manages the principal risks within IBL of which climate-related risk is explicitly listed		

Executive-level governance

Group Executive
Takes ultimate executive responsibility for all climate-related and sustainability (including ESG) matters. Members include: Fani Titi, Richard Wainwright, Ciaran Whelan, Nishlan Samujh, Marc Kahn, Mark Currie, Ruth Leas, Lyndon Subroyen, Abey Mokgwatsane, Stuart Spencer and Henry Blumenthal

Group ESG Executive Committee	Group Executive Risk Committee (ERC)		Executive responsibility within the Specialist Bank	Executive responsibility within Wealth & Investment
Coordinates climate-related and sustainability (including ESG) efforts across geographies and businesses from both a strategic and policy perspective	Reviews and approves Group climate-related policies and risk appetite Reviews and approves climate-sensitive transactions on a Group level		The Board assigned executive responsibility to Marc Kahn for driving the climate-related and sustainability (including ESG) agenda across the Group. Kevin McKenna is the Senior Management Function (SMF) for climate risk in Investec Bank plc	Executive responsibility for driving the climate-related and sustainability (including ESG) matters within the global Wealth & Investment business are guided by Ciaran Whelan (CE of Investec Wealth & Investment Limited) and Henry Blumenthal (CE of Investec Wealth & Investment South Africa)
	IBP ERC Reviews and approves IBP climate-related policies and risk appetite. Reviews and approves climate-sensitive transactions at an IBP level	**IBL ERC** Reviews and approves IBL climate-related policies and risk appetite. Reviews and approves climate-sensitive transactions at an IBL level		

Management-level governance

Global Head of Sustainability
The Global Head of Sustainability, Tanya dos Santos, has a direct reporting line to the Group chief executive and the Chair of the Group ESG Executive Committee. She is a member of the Group ESG Executive Committee. Attends the DLC SEC and the Investec Property Fund Social and Ethics (SEC) Committee in which we have an equity stake. Collaborates with a range of directors, executives and senior leaders on ESG issues. Takes ultimate responsibility for driving and executing climate-related and sustainability (including ESG) matters across the Group

Investec Limited sustainability-related responsibility	Investec plc sustainability-related responsibility	Wealth & Investment Sustainable Investment Forum
Management* participates in the various executive forums above, which is then discussed at Investec Bank Limited's Executive Committee. Nick Riley is a member of this forum and is also a member of the Group ESG Executive Committee and the Group ERC	Management* participates in the various executive forums above, which is then discussed at Investec Bank plc's Executive Committee. Callum Bell and Kevin McKenna are members of this forum and Kevin is also a member of the DLC ESG Executive Committee and the Group ERC	Coordinates the integration of the climate-related and sustainability (including ESG) matters in our Wealth & Investment business across various jurisdictions and is chaired alternately between Barry Shamley (South African-based) and Max Richardson (UK-based)/Stacey Parrinder-Johnson (Chief Investment Officer W&I UK)

Business and employees	Investec Limited sustainability team	Investec Group sustainability team	Investec plc sustainability team. Investec plc climate forum	Wealth & Investment sustainability teams (UK and South Africa)

* *Management refers to those positions in senior management, and are separate from executives or the Board.*

Responsibility of the Board 1a

We are guided by our climate change statement and policies on environmental and social risk. Climate-related risk considerations are integrated into a multidisciplinary, company-wide management process throughout the Group. Over the past year, the various Investec executive forums and Boards have taken on a deeper role in actively engaging on various sustainability activities and opportunities.

Responsibility of the Board

Climate-related responsibilities of the Board	In terms of the dual-listed companies (DLC) arrangements, the Boards of Investec plc and Investec Limited are identical and the Investec Group (the Group) is managed as a unified economic enterprise. The Board has the ultimate responsibility to monitor the operations of the Group as a responsible corporate. The Board oversees Investec's response to climate change and is supported by the management teams to manage the risks and opportunities associated with climate change. At the highest governance level, the Board establishes the purpose of the Group, incorporates climate-related and sustainability (including ESG) matters when reviewing and guiding strategy and strategic aims, and monitors and oversees progress towards climate-related goals, targets, and ambitions. In addition, they consider climate-related issues when overseeing major capital expenditures, acquisitions, and divestitures.
Composition and frequency of meetings	The composition of the Board has been designed to ensure that we have the appropriate mix of knowledge, skills, experience and diversity to provide the range of perspectives and insights needed for decision-making to support the delivery of the Group's strategic objectives. The Board recognises that balanced Board representation is vital for sustainable value creation. The Board's roles and responsibilities are detailed on page 115 of the Investec Group's 2022 integrated and strategic annual report, which includes responsibility for overseeing climate-related and sustainability risks and opportunities. The skills and experience of the members of the Board are detailed on pages 109 to 111 of the Investec Group's 2022 integrated and strategic annual report. All members have a strong awareness of climate-related and sustainability (including ESG) matters. Board meetings were supplemented by presentations from internal and external parties, all of which were well accepted by the Board. The aim is to introduce targeted development on climate-related matters to this committee over the next year. The Board met nine times where climate-related and sustainability (including ESG) matters were presented in written format at every meeting.
How the Board is informed about climate-related matters	Over the past year, the impact of climate change on our business and how the Group's activities affect the environment has been a key focus for the Board. In particular, the Board recognises that climate change represents a material financial risk, and this is accordingly overseen and evaluated by the DLC BRCC. In addition to this, we received shareholder support at the 2021 AGM to continue the Group's commitment to carbon neutrality and net-zero ambitions and to establish a baseline strategy to disclose our Scope 3 financed emissions. In November 2021, the Board received an overview of the key outcomes of the COP26 conference. Agenda items included considerations around climate-related risks and opportunities when reviewing the Groups' strategy. Climate-related risks have been identified as a principal risk through robust assessments by the Board and its various subcommittees. Climate-related matters are escalated to the Board through the DLC SEC, DLC BRCC and the Group ESG Executive Committee, with written feedback provided at every meeting.

How the Board monitors and oversees progress towards climate-related goals and targets	Up until 2021, our climate-related goals and targets were set at an operational level with the overarching commitment to remain carbon neutral within our operations (Scope 1 and 2 and operational Scope 3). This has been encouraged by the Board and has resulted in us being carbon neutral for the fourth consecutive year. With the voluntary climate resolution tabled in August 2021, we committed to disclose our financed emissions (Scope 3 downstream) using a baseline as at March 2021. The Board has received written and verbal updates throughout the financial year as implementation of this resolution progressed.
Key climate-related achievements for 2021/2022	• Approval to table a voluntary climate resolution at the August 2021 AGM, receiving 99.9% support from shareholders • In February 2022, changes approved to the Investec plc and Investec Bank plc risk appetite which included climate-related matters, in particular to have zero coal exposures in the next three to five years.
Climate-related focus areas for 2022/2023	• Further development and upskilling on climate-related matters for Board members.

Responsibility of Board-appointed committees and executive members 1a

DLC Social and Ethics Committee (DLC SEC)

The Committee's principal objective is to assist the Board in ensuring that the Group remains a committed, socially responsible corporate citizen in the context of the economy, society, and environment in which the Group operates. It is responsible for monitoring the Group's activities with regard to any relevant legislation, legal requirements, or prevailing codes of best practice.

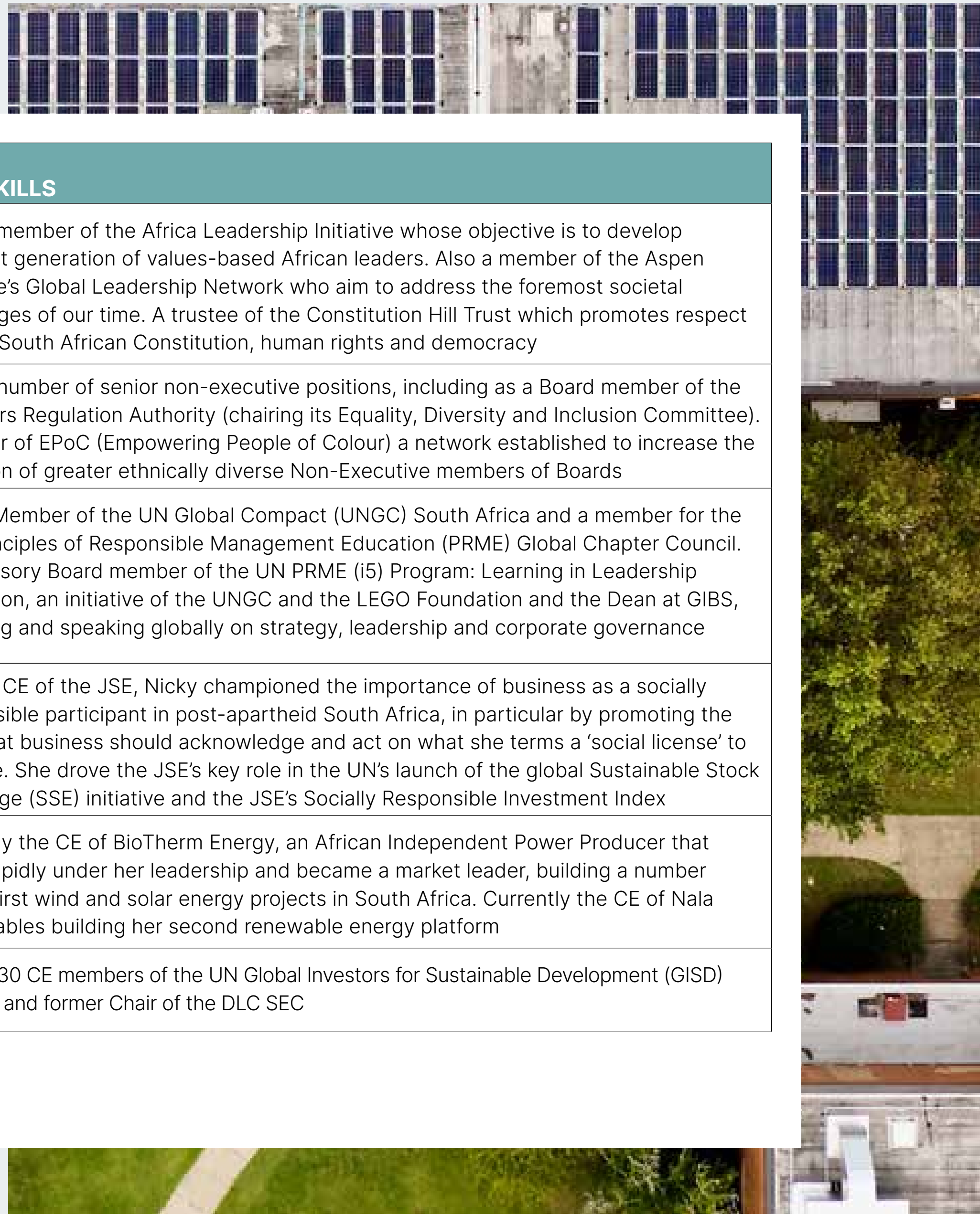
For more information on the Committee's terms of reference, **click here**

Climate-related responsibilities of the DLC SEC	The DLC SEC is a Board-appointed committee with a direct reporting line to the DLC Board. The DLC SEC takes responsibility for monitoring the non-financial elements of sustainability and monitoring the Group's performance in terms of climate-related and sustainability (including ESG) matters. The DLC SEC chair reports to the Board after each meeting on the nature and content of its discussion, recommendations and actions. It also makes appropriate recommendations to the Board on further actions or where improvement is required. The climate-related responsibilities of the DLC SEC include: • Promoting environmental responsibility (including action on climate change and biodiversity considerations) • Assessing, and where appropriate making recommendations, to minimise the impact of the Group's activities and its products and services on the environment, health, and public safety • Considering, reviewing and monitoring climate-related risks and sustainable financing opportunities • Reviewing the relevance and impact of the Group's chosen Sustainable Development Goals (SDGs) • Reviewing new climate-related and sustainability (including ESG) policies and any material changes to existing policies.
Composition and frequency of meetings of the DLC SEC	The DLC SEC consists of five independent Non-Executive Directors and the Group Chief Executive. The committee met four times during the year where climate-related issues were discussed in every meeting. Members bring their own unique sustainability skills to the Committee. See page 22 for more details.
How the DLC SEC is informed about climate-related matters	The DLC SEC receives feedback on the latest climate-related matters through a standing agenda point. The Global Head of Sustainability escalates climate-related issues raised by the Group ESG Executive Forum either verbally or in written format to the DLC SEC. During the financial year, the DLC SEC climate-related discussion points for the Group included: • Progress with regards to the Group's net-zero carbon ambitions • Position on fossil fuel exposures. In addition, a number of presentations were made to the Committee including: • A high-level summary of the discussions held at COP26 and the global energy transition • An update on the business initiatives designed to support our clients in their participation in the transition • An external speaker who covered the just transition, climate-related risks and how they impact general investment portfolios • An update on the potential impact of the Russian invasion of Ukraine and the resultant energy and food crisis.

DLC Social and Ethics Committee (DLC SEC) continued

How the DLC SEC monitors and oversees progress against climate-related goals and targets	The progress in terms of our 2021 AGM climate resolution was presented by the Global Head of Sustainability. Progress on our recently approved net-zero and Scope 3 financed emission targets will be included as part of our ongoing communication to the Committee through a standing agenda point. The Global Head of Sustainabilty gives written and verbal feedback at every meeting on sustainability and climate-related matters.
Key DLC SEC climate-related achievements for 2021/2022	• Approved membership to the Net-Zero Banking Alliance (NZBA) • Received progress updates on climate-related and sustainability (including ESG) disclosures, including the TCFDs, and reported on the Group's priorities and progress in terms of the SDGs • Reviewed and supported the Group's fossil fuel policy with the commitment to have no coal exposures in the next three to five years in the Investec plc entity • Reviewed and supported the Group's updated sustainable finance framework • Received shareholder support for the Group's commitment to the goals of the Paris Agreement, to authorise and direct the Investec Group and its directors to commit to disclose the following within our TCFD report for the year ended 31 March 2022: – The baseline of Investec Group's Scope 3 financed emissions – The Group's strategy to reduce its Scope 3 financed emissions – The Group's short-, medium- and long-term targets to reach net-zero emissions and align with the Paris Agreement goals, based on a geographic approach that is guided by (but not limited to) the net-zero trajectories of our two core jurisdictions, being South Africa and the UK.
DLC SEC climate-related focus areas for 2022/2023	• Review and assess the integration of sustainability (including ESG) and climate-related matters into business strategy • Monitor the progress in terms of the Group's net-zero ambition and the related Scope 3 financed emissions strategy and targets through: – Focused engagement with stakeholders to get strategic feedback on how we can improve on Scope 3 reporting – Review and drive better data quality for emission calculations in our Scope 3 financed emissions – Work with the business areas to understand climate emissions within their portfolios and how it can be reduced – Challenge and interrogate outcomes of financed emissions calculated by the sustainability team, model validation team and the findings from internal audit • Monitor the progress to strengthen the Group's climate-related and sustainability disclosures, including the TCFDs, and the Group's reporting on our priorities and progress in terms of the SDGs.

DLC Social and Ethics Committee (DLC SEC) continued



Members	Designation	Group Committee representation	ESG SKILLS
Khumo Shuenyane (Chair)	Independent Non-Executive Director of Investec Limited and Investec plc Board	Chair of the DLC SEC Member of the DLC BRCC	Fellow member of the Africa Leadership Initiative whose objective is to develop the next generation of values-based African leaders. Also a member of the Aspen Institute's Global Leadership Network who aim to address the foremost societal challenges of our time. A trustee of the Constitution Hill Trust which promotes respect for the South African Constitution, human rights and democracy
Moni Mannings	Independent Non-Executive Director of Investec Bank plc Board	Member of Investec plc Board Member of the DLC SEC	Held a number of senior non-executive positions, including as a Board member of the Solicitors Regulation Authority (chairing its Equality, Diversity and Inclusion Committee). Founder of EPoC (Empowering People of Colour) a network established to increase the inclusion of greater ethnically diverse Non-Executive members of Boards
Morris Mthombeni	Independent Non-Executive Director of Investec Bank Limited Board Board member of the UN Global Compact in South Africa	Member of Investec Limited Board Member of the DLC SEC	Board Member of the UN Global Compact (UNGC) South Africa and a member for the UN Principles of Responsible Management Education (PRME) Global Chapter Council. An advisory Board member of the UN PRME (i5) Program: Learning in Leadership Education, an initiative of the UNGC and the LEGO Foundation and the Dean at GIBS, lecturing and speaking globally on strategy, leadership and corporate governance
Nicky Newton-King	Independent Non-Executive Director of Investec Limited and Investec plc Board	Member of the DLC SEC Member of the DLC BRCC	Former CE of the JSE, Nicky championed the importance of business as a socially responsible participant in post-apartheid South Africa, in particular by promoting the idea that business should acknowledge and act on what she terms a 'social license' to operate. She drove the JSE's key role in the UN's launch of the global Sustainable Stock Exchange (SSE) initiative and the JSE's Socially Responsible Investment Index
Jasandra Nyker	Independent Non-Executive Director of Investec Limited and Investec plc Board	Member of the DLC SEC Member of the DLC BRCC	Formerly the CE of BioTherm Energy, an African Independent Power Producer that grew rapidly under her leadership and became a market leader, building a number of the first wind and solar energy projects in South Africa. Currently the CE of Nala Renewables building her second renewable energy platform
Fani Titi	Group Chief Executive	Member of the DLC SEC Member of the DLC BRCC	One of 30 CE members of the UN Global Investors for Sustainable Development (GISD) alliance and former Chair of the DLC SEC

Most of the members of the DLC SEC are also members of the DLC BRCC.

Refer to pages 23 and 24 for the DLC BRCC climate-related responsibilities.

DLC Board Risk and Capital Committee (DLC BRCC)

The role of the Committee is to provide independent oversight over the range of risks (including non-financial risks) facing the business. It performs this function by considering the risk reports presented and questions whether actions taken by management are appropriate. Through both IBL BRCC and IBP BRCC meetings and interactions with the Chief Risk Officers (CROs) and the various risk disciplines, the Committee satisfies itself that effective risk management plans and processes are in place to ensure that risks are adequately assessed and timeously addressed.

For more information on the Committee's terms of reference, **click here**

Climate-related responsibilities of the DLC BRCC	The role of the Committee is to provide independent oversight over the range of risks facing the business. This function is performed by considering the risk reports presented and questioning whether actions taken by management are appropriate. Climate-related and sustainability (including ESG) matters are discussed ad hoc, as and when any matters arise. The DLC BRCC oversees and signs off on the Group's risk management policies. The Committee is also responsible for managing the principal risks of the Group of which climate-related risk is explicitly listed. In addition, the DLC BRCC: • Considers and reports on key financial and non-financial risk issues • Monitors and recommends the Group's risk appetite which includes climate-related and sustainability (including ESG) matters • Monitors the Group's risk profile which includes climate-related and sustainability (including ESG) matters.
Composition and frequency of meetings of the DLC BRCC	The Committee comprises Executive and Non-Executive members, with the composition designed to provide the breadth of risk expertise and commercial acumen to fulfil their responsibilities. All the members have a strong awareness of climate-related and sustainability (including ESG) matters. Meetings were supplemented by presentations from internal and external parties, all of which were well accepted. The aim is to introduce targeted development on climate-related matters to this Committee over the next year. The Committee met five times during the financial year ended 31 March 2022 where members were informed of climate-related matters. In particular, the Investec Bank plc climate stress testing (per the requirements of the PRA) and the Investec Bank Limited climate stress testing (per the requirements from the SARB) were discussed and interrogated.
How the DLC BRCC is informed about climate-related matters	The DLC BRCC receives feedback from the IBL BRCC and IBP BRCC where the risks of the banks are addressed, of which one of these risks relates to climate-related and sustainability (including ESG) matters.

DLC Board Risk and Capital Committee (DLC BRCC) continued

How the DLC BRCC monitors and oversees progress against climate-related goals and targets	• The Group's exposure to fossil fuels was considered, following the publication of the Group fossil fuel policy in March 2020 • The Committee received confirmation from management that credit decisions considered financial risks from climate change and that these decisions were being documented • The Investec Bank plc BRCC received a presentation on climate-related matters in March 2022 • An update on the Group's stress testing approach relating to transition risk in energy and real estate was provided to the Committee. There was a focus on potential vulnerable portfolios which were potentially exposed to climate risk • The Committee considered climate-related and sustainability (including ESG) risk in the wake of COP26.
Key DLC BRCC climate-related achievements for 2021/2022	• Climate-related and sustainability (including ESG) considerations were expanded in the risk appetite policies, specifically for Investec plc and Investec Bank plc to include a target of zero coal exposure in the next three to five years • The Committee increased its focus on sustainability and climate change in an effort to advance the United Nations Global Compact's 10 principles with respect to business and human rights, labour, environment and anti-corruption.
DLC BRCC climate-related focus areas for 2022/2023	• Stronger focus on climate-related and sustainability (including ESG) matters, specifically relating to our fossil fuel exposures and our exposure to high emitting industries • Stronger focus on the reporting of climate-related and sustainability (including ESG) matters due to the increased requirements from various stakeholders • Focused engagement on climate goals and targets • Regular feedback from the various ESG committees on climate-related goals and targets, as this has been identified as a gap • Development and upskilling of DLC BRCC members on climate-related matters.

DLC Audit Committee

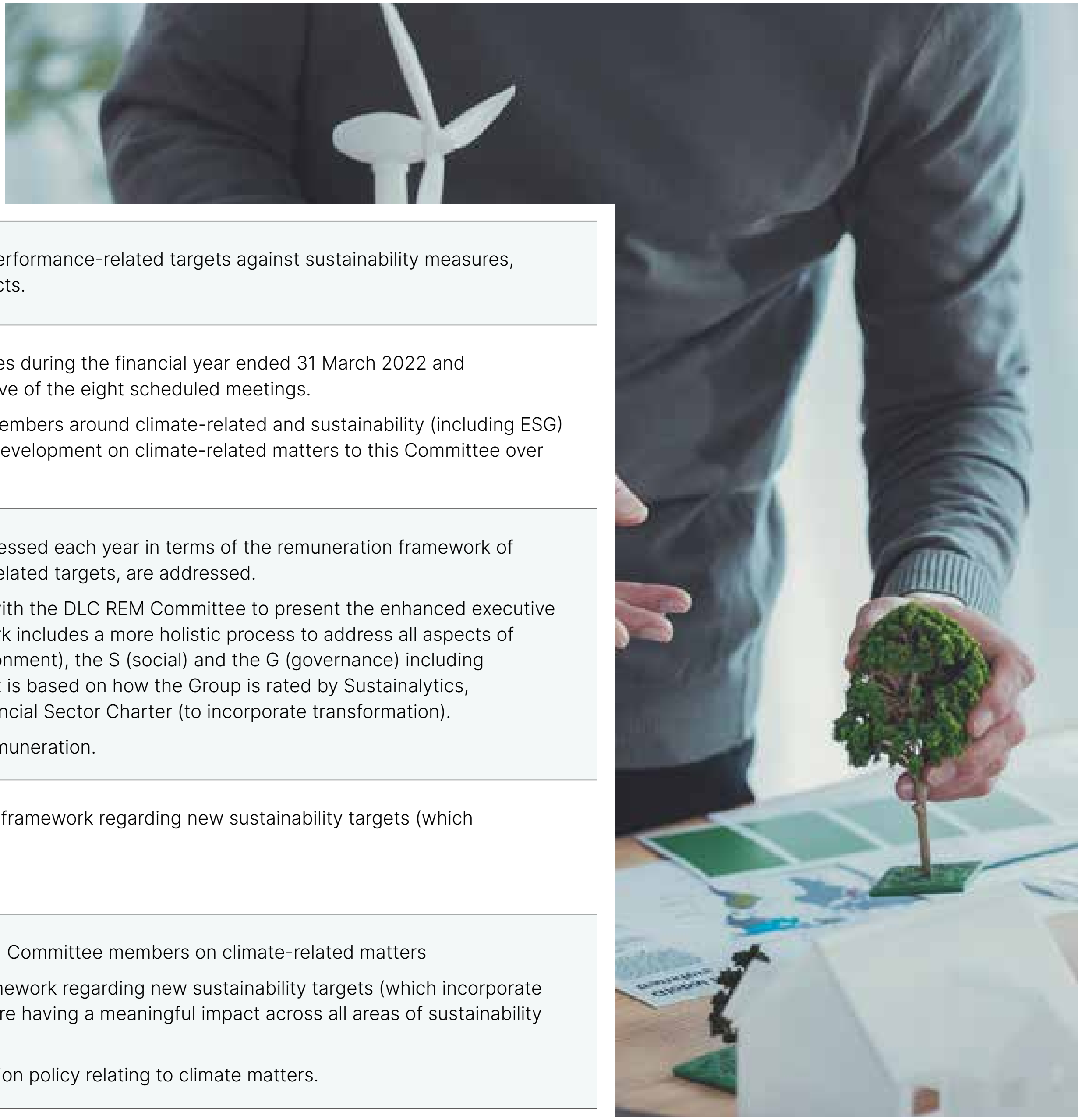
The Committee provides independent challenge and oversight across the Group's financial reporting and internal control procedures. In terms of the DLC structure, the DLC Board has mandated authority to the DLC Audit Committee to be the Audit Committee of the Group. The DLC Audit Committee oversees and considers Group audit-related matters and has responsibility for audit-related matters that are common to Investec plc and Investec Limited, and works in conjunction with these two committees to address all Group reporting.

For more information on the Committee's terms of reference, **click here**

Climate-related responsibilities of the DLC Audit Committee	• Consider the appropriateness of financial and non-financial disclosures and provide oversight on adherence to climate-related reporting regulations, as mentioned on page 86 • The Committee further considered the appropriateness of the level of assurance provided by external audit on ESG and climate disclosure made in the annual report.
Composition and frequency of meetings of the DLC Audit Committee	• The Group Audit Committee met seven times during the financial year ended 31 March 2022. Significant judgments and estimates were discussed, including the inherent risks posed by climate-related matters. • There is a growing awareness among members around climate-related and sustainability (including ESG) matters. The aim is to introduce targeted development on climate-related matters to this Committee over the next year.
How the DLC Audit Committee is informed about climate-related matters	The DLC Audit Committee has an oversight of the assurance provided for key performance indicators relating to climate risk including the following: • Comprehensive fossil fuel exposure for coal, oil and gas covering extraction, power generation, distribution and associated infrastructure • Carbon footprint including Scope 1, 2 and operational Scope 3 emissions • Various sustainability-linked loans within Investec plc and Investec Limited • Verifying the R1mn green bond issued by Investec Bank Limited that was 3.8 times oversubscribed. The Committee receives regular updates from the Group sustainability team, Group Finance and from External Audit on the latest regulatory and disclosure requirements.
Key DLC Audit Committee climate-related achievements for 2021/2022	• Considered the appropriateness of the assessment performed by management on the impact that climate risk has on each line item of the Investec Group balance sheet • Considered appropriateness of the assurance provided by external audit (KPMG and EY) on ESG and climate disclosures provided in the Investec Group's 2022 integrated and strategic annual report • Considered the completeness of the climate disclosures provided in the Investec Group's 2022 integrated and strategic annual report and evaluated the compliance of this disclosure with regulatory requirements.
DLC Audit Committee climate-related focus areas for 2022/2023	• Development and upskilling of DLC Audit Committee members on climate-related matters • Include non-financial disclosures in the terms of reference • Consider developments with regards to climate-related and ESG disclosure guidance by the International Sustainability Standards Board (ISSB) and Financial Reporting Council (FRC).

DLC Remuneration (REM) Committee

This Committee is mandated to provide effective oversight over the Group's remuneration processes and arrangements. The Committee reports directly to the Board.

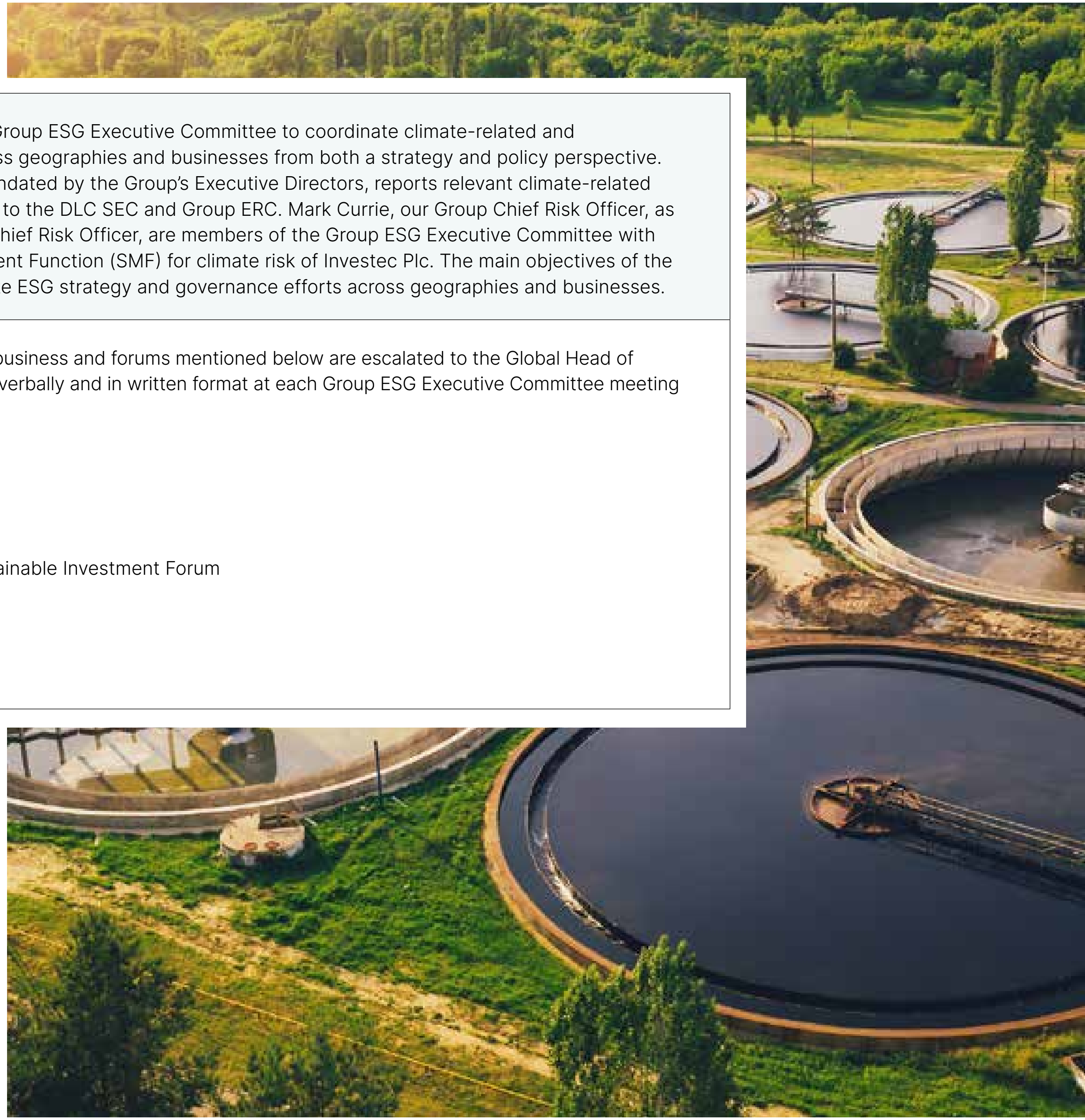


Climate-related responsibilities of the DLC REM Committee	• The DLC REM Committee establishes performance-related targets against sustainability measures, which incorporate climate-related aspects.
Composition and frequency of meetings of the DLC REM Committee	• The DLC REM Committee met eight times during the financial year ended 31 March 2022 and considered climate-related matters at five of the eight scheduled meetings. • There is a growing awareness among members around climate-related and sustainability (including ESG) matters. We aim to introduce targeted development on climate-related matters to this Committee over the next year.
How the DLC REM Committee is informed about climate-related matters	• The performance of the directors is assessed each year in terms of the remuneration framework of which sustainability, including climate-related targets, are addressed. • The Global Head of Sustainability met with the DLC REM Committee to present the enhanced executive remuneration framework. This framework includes a more holistic process to address all aspects of sustainability incorporating the E (environment), the S (social) and the G (governance) including climate-related matters. This framework is based on how the Group is rated by Sustainalytics, CDP, ISS, CSA Dow Jones, and the Financial Sector Charter (to incorporate transformation). Refer to pages 30 and 31 for executive remuneration.
Key DLC REM Committee climate-related achievements for 2021/2022	• Approval of the executive remuneration framework regarding new sustainability targets (which incorporate climate-related aspects).
DLC REM Committee climate-related focus areas for 2022/2023	• Development and upskilling of DLC REM Committee members on climate-related matters • Review the executive remuneration framework regarding new sustainability targets (which incorporate climate-related aspects) to ensure we are having a meaningful impact across all areas of sustainability and climate (including ESG) matters • Research the latest trends in remuneration policy relating to climate matters.

Chief Executive responsibility

Climate-related responsibilities of the Chief Executive	• The Chief Executive (CE), Fani Titi, takes ultimate executive responsibility for all climate-related and sustainability (including ESG) matters. He is also a member of the UN GISD, an alliance with representation from 30 leading corporates and financial institutions across the world.
How the Chief Executive is informed about climate-related matters	• The CE is informed of climate-related risks and opportunities through the Global Head of Sustainability, the Group ESG Executive Committee and the DLC SEC. As a member of the DLC SEC, the CE gets informed of climate-related matters. He also receives written feedback through the Board reports. The Global Head of Sustainability reports directly to the CE, providing verbal feedback at least once a month. • As a member of the UN GISD, a range of climate-related matters are addressed and actioned.
How the Chief Executive monitors and oversees progress against climate-related goals and targets	• The CE is part of the DLC SEC and DLC BRCC who monitor and oversee climate-related goals and targets. In addition, the Group ESG Executive Committee also monitor and review climate-related goals and targets.
Key climate-related achievements of the Chief Executive for 2021/2022	• Instrumental in the engagement with the Board to support and table a voluntary climate resolution at the August 2021 AGM, receiving 99.9% support from shareholders • Received approval from the Board to sign up to the NZBA • Supported the changes to the remuneration policy to include sustainability and climate-related (including ESG) KPIs for executives • Supported the improvement of climate-related disclosures.
Climate-related focus areas of the Chief Executive for 2022/2023	• Strengthen the Group Executive team's knowledge and education on climate-related matters • Monitor progress on the Group's net-zero ambitions relating to our Scope 3 financed emissions • Continue with industry engagement on climate-related matters • Explore new climate initiatives like green bonds • Inform the strategic direction for climate initiatives and alignment with the Group strategy.

Group ESG Executive Committee



Climate-related responsibilities of the Group ESG Executive Committee

The Chief Executive is supported by the Group ESG Executive Committee to coordinate climate-related and sustainability (including ESG) efforts across geographies and businesses from both a strategy and policy perspective. The Group ESG Executive Committee, mandated by the Group's Executive Directors, reports relevant climate-related and sustainability (including ESG) matters to the DLC SEC and Group ERC. Mark Currie, our Group Chief Risk Officer, as well as Kevin McKenna, our Investec plc Chief Risk Officer, are members of the Group ESG Executive Committee with Kevin McKenna also the Senior Management Function (SMF) for climate risk of Investec Plc. The main objectives of the Committee are to help align and coordinate ESG strategy and governance efforts across geographies and businesses.

How the Group ESG Executive Committee is informed about climate-related matters

Key climate-related matters raised by the business and forums mentioned below are escalated to the Global Head of Sustainability who presents these matters verbally and in written format at each Group ESG Executive Committee meeting

The forums:

The Group sustainability team

- Group Finance
- The Investec Bank plc Climate Forum
- The Investec Wealth & Investment Sustainable Investment Forum
- Group ERC
- IBL ERC
- IBP ERC.

Group ESG Executive Committee continued

How the Group ESG Executive Committee monitors and oversees progress against our climate-related goals and targets	• Receives updates on climate-related and sustainability (including ESG) matters at each meeting • Reviews Investec Group's ESG ratings (in particular Sustainalytics, MSCI, CDP, CSA Dow Jones and ISS), assessing and engaging on suggested actions to improve ratings and performance of climate-related goals and targets • Discusses and approves actions towards carbon neutrality to meet our net-zero ambitions relating to our Scope 3 financed emissions and targets.
Key Group ESG Executive Committee climate-related achievements for 2021/2022	• Provided input and approval to table a voluntary climate resolution at the August 2021 Investec AGM • Monitored the Group's net-zero ambitions and progress in terms of Scope 3 commitments made in the 2021 AGM resolution • Reviewed climate-related regulations and recommendations published during the year • Reviewed new sustainability and climate-related products and services launched across the Group • Reviewed and monitored climate-related and ESG screening across the Group • Reviewed and monitored Investec Group fossil fuel exposures • Reviewed the updated Group sustainable finance framework.
Group ESG Executive Committee Climate-related focus areas for 2022/2023	• Strengthen the integration of sustainability into business strategy • Encourage the roll out of climate-related product offerings • Monitor the steering of the Group's strategy around our net-zero ambitions • Monitor and strengthen the Group's climate-related and sustainability disclosures, including the TCFDs, and report on our priorities in terms of the SDGs • Review and align a global modern slavery statement and biodiversity statement.

Executive responsibility within the Specialist Bank

The Board assigned executive responsibility to Marc Kahn (Global Head of People & Organisation) to drive the sustainability agenda across the Group. Mark Currie, our Group Chief Risk Officer as well as Kevin McKenna, our UK Chief Risk Officer are members of the Group ESG Executive Committee with Kevin McKenna being the Senior Management Function (SMF) for climate risk for Investec Bank plc.

Executive responsibility within Wealth & Investment

Ciaran Whelan and Henry Blumenthal as Chief Executive Officers of Investec Wealth & Investment UK and South Africa respectively have executive responsibility for climate-related and sustainability (including ESG) matters. The implementation therefore has been assigned to key members of the Wealth & Investment Sustainable Investment Forum who coordinate the integration of the climate-related and sustainability (including ESG) matters in our Wealth & Investment business across various jurisdictions.

Executive remuneration

The Executive Directors of Investec Group are firmly committed to driving sustainability and climate-related (including ESG) matters.

Our CE, Fani Titi, personally signed up to the UN Global Investors for Sustainable Development, and our membership of various UN and other initiatives like Climate Action 100+ demonstrates this leadership commitment. Accordingly, we have created a holistic executive remuneration framework that is not reliant on achieving only a few KPIs, but rather includes a more comprehensive approach across all areas of sustainability. We believe this will help ensure that sustainability and climate (including ESG) matters are addressed more comprehensively throughout our business and align with business strategy.

Our executive remuneration framework is based on five sustainability ratings that show a broader impact across all three areas of E, S and G. Four of the five ratings that we chose are rated as the most highly recognised by *Rate the Raters** and are as follows:

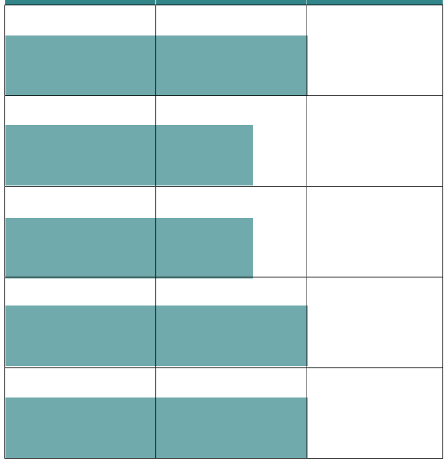
- CSA Dow Jones S&P (performance of environment, social and governance aspects)
- Sustainalytics (performance of environment, social and governance aspects)
- CDP (performance specifically relating to environmental aspects)
- ISS (performance specifically relating to governance aspects).

The fifth rating focuses on our Financial Sector Charter score which relates to performance specifically focused on social transformation in South Africa.

The table below shows show the performance against these ratings and progress made within each rating.

Achievement against sustainablity and climate-related (including ESG targets)

Measures	Comment	Threshold	Target	Stretch	Rating achieved	2021 Score	Threshold	Target	Stretch
Sustainalytics rating	Overall indicator of ESG	>20 (medium risk)	15 – 20 (low risk)	10 – 15 (negligible risk)	16.6	**Target met**			
CSA Dow Jones rating	Overall indicator of ESG	<64	between 64 and 68	>68	64	**Target met**			
CDP rating	Environmental performance including climate-change commitments	<B	B-A	A+	B	**Target met**			
ISS rating	Governance performance	<C	C-C+	B-A	C	**Target met**			
Financial Sector Charter targets	Social performance (relating to transformation in South Africa)	Under level 1	Maintain level 1	Top of level 1	Level 1	**Target met**			



* *Rate the Raters is a project that aims to make sense of the expanding universe of sustainability ratings and rankings and to improve the quality and transparency of such ratings.*

SUSTAINALYTICS RATING

ENVIRONMENT

Environment risk rating significantly improved with Executive supporting and approving:

- Sustainable finance initiatives
- Signing up as a signatory of the UN Principles for Responsible Investment (UN PRI).

SOCIAL

Social risk rating improved as a result of Executive approval towards enhanced disclosure of our:

- Discrimination policy
- Freedom of association policy
- Gender pay disclosure.

GOVERNANCE

Improved risk rating noting that we are now showing particular strength in our Board structure, ownership structure, shareholder rights, our remuneration systems, our audit and financial performance systems and our stakeholder governance.

CSA DOW JONES RATING

ENVIRONMENT

Improved scoring due to executive commitment towards climate action.

Specifically our commitment made at the August 2021 AGM to:

- disclose a baseline of Investec Group's Scope 3 financed emissions
- set a Group strategy to reduce our Scope 3 emissions
- set short-, medium-, and long-term targets to reach net-zero emissions and align with the Paris Agreement goals, based on a geographic approach.

SOCIAL

- Executive approval to disclose additional information on our workforce breakdown for minorities and received a top score in People Analytics
- Executive support to strengthen our human rights due-diligence.

GOVERNANCE

- Executive approval of the enhanced disclosure of our IT infrastructure incidents
- Executives also approved stronger wording in our anti-competitive practices.

CDP RATING

ENVIRONMENT

Environment improvements in:

- Business strategy and financial planning due to Executive action towards a net-zero carbon economy
- Executives' continued endorsement of emission reduction initiatives
- Energy efficiency due to Executive support for the purchase of renewable energy certificates
- Executive commitment to disclose Scope 3 emissions.

FINANCIAL SECTOR CHARTER RATING

SOCIAL

Executive support for several initiatives:

- Continued investment in the development of our black employees
- Bursaries granted to black employees and non-employees
- Disabled learnership started in February 2022 for 30 disabled individuals in partnership with the National Institute of the Deaf
- Continued with three other learnerships (artisans, IT and teacher assistants)
- Enterprise development grant to Knowledge Pele to start a hydroponic farm in Touws Rivier
- Continued investment in education through our ProMaths sponsorship
- Continued participation in the Youth Employment Service (YES) initiative.

ISS RATING

GOVERNANCE

- Transparency level remained at a very high level
- Our performance score improved slightly to 51.49 from 51.33
- **Governance positive**
  – Due to executive approval, we improved our gender and ethnicity diversity score by setting targets at the Board and at senior management level
- **Governance negative**
  – Negative impact of Cum-ex issue: ISS remains vigilant of developments.

Management role 1b

Climate considerations are integrated into a multidisciplinary, company-wide management process throughout the Group. We see management as active participants in the mitigation and management of climate-related risks and opportunities.

Reporting into the Chief Executive

Global Head of Sustainability

The Global Head of Sustainability, Tanya dos Santos, has a direct reporting line to the Group Chief Executive, Fani Titi, and he Chair of the Group ESG Executive Committee, Marc Kahn. Any climate-related matters are reported to these executives verbally as and when matters arise.

The Global Head of Sustainability is also a member of the Group ESG Executive Committee and collaborates with a range of directors, executives and senior leaders on ESG issues. The sustainability teams within the various jurisdictions report directly to the Global Head of Sustainability.

Investec Limited sustainability team | **Investec Group sustainability team** | **Investec plc sustainability team**

Responsibilities

- assessing and reporting on climate-related matters
- escalating climate-related matters to the risk teams to manage and monitor climate-related exposures
- supporting the risk teams in identifying environmental and climate-related risks that may have an impact on the Group
- defining sectoral policies aimed at limiting the climate and ESG risks to which the Group may be exposed to
- reviewing and assessing alignment with regulatory disclosure requirements
- working with business on sustainability products and services
- engaging with stakeholders
- engaging across businesses and geographies to ensure a cohesive and aligned sustainability approach for the Group

Function

The Global Head of Sustainability receives feedback from the sustainability teams, the various executive-level committees and the Wealth & Investment Sustainable Investment Forum as detailed on page 17. Climate-related matters are escalated by the Global Head of Sustainability to the Board, the DLC SEC, the Group ESG Executive Committee and the Chief Executive.

Refer to pages 27 to 29 for more detail on these forums.

Management responsibility within the Specialist Bank

1b

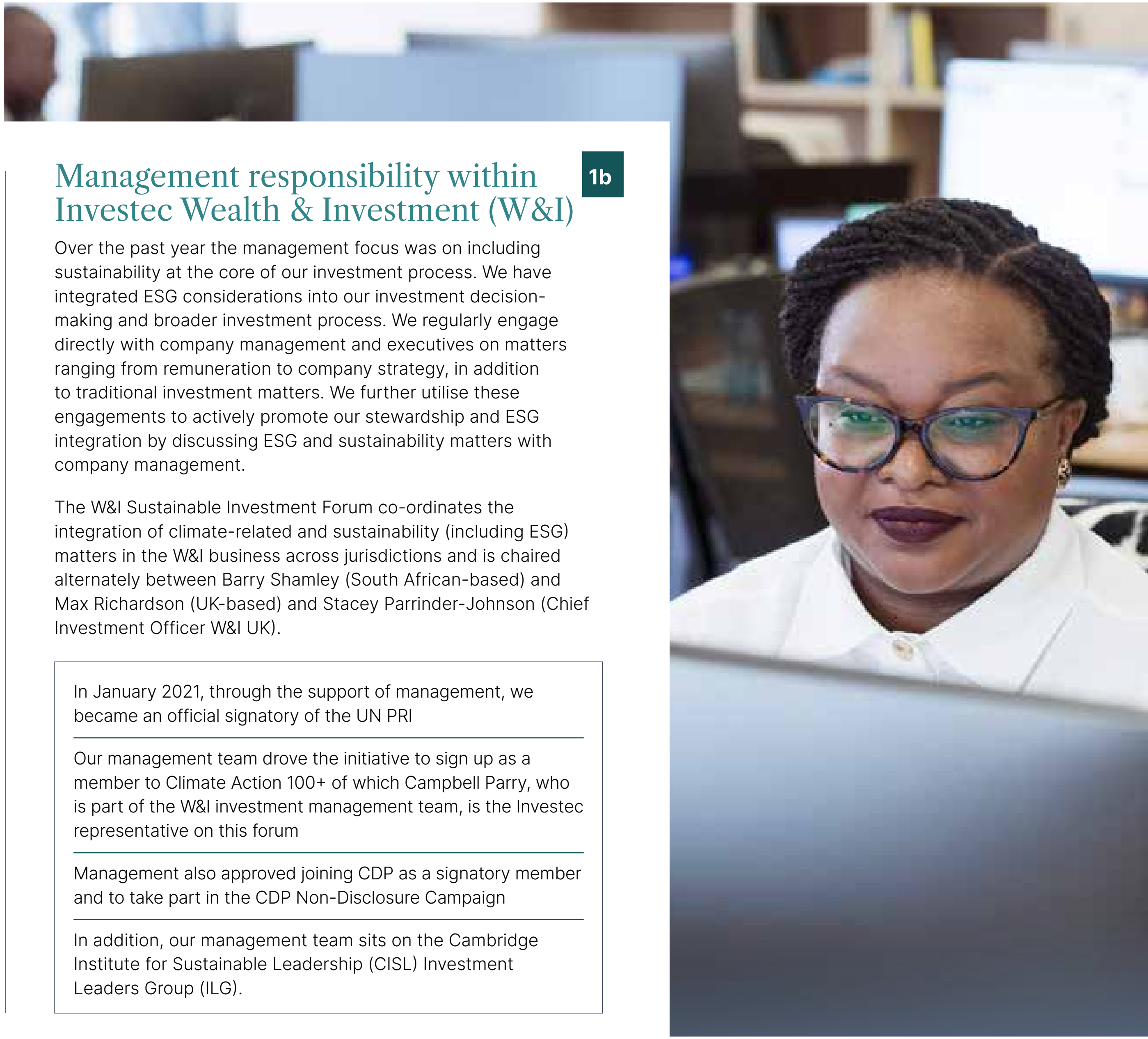
Over the past year the management focus was on embedding the specialist skills in advisory, lending and investing to support our clients and stakeholders to move as quickly and smoothly as possible towards a zero-carbon economy. The focus addressed our two impact SDGs, climate action (SDG 13) and reduced inequalities (SDG 10), as this is fundamental to the success of our business. We addressed these impact SDGs through six core SDGs that are globally aligned, yet locally relevant, to our core geographies. These core SDGs also reflect our current business model and growth strategy to fund a stable and sustainable economy. In addition, we have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth.

Management participates in various executive forums. Nick Riley represents Investec Limited. Callum Bell and Kevin Mckenna represent Investec Bank plc.

We supported the business units in the development of innovative solutions that will help accelerate the transition to a decarbonised economy. This includes management support for various sustainable finance and investment initiatives including:

- The successful close of a $600mn sustainability-linked term loan facility for Investec Bank plc which was 3 times oversubscribed
- Being an anchor limited partner (LP) investor in an impact fund focused on infrastructure in emerging markets
- The successful close of a $600mn sustainability-linked term loan facility for Investec Bank Limited which was 2.5 times oversubscribed
- Launched our first green bond, raising R1mn for renewable energy projects which was 3.8 times oversubscribed.

For more information, refer to the Investec Group's 2022 sustainability report on our **website**



Management responsibility within Investec Wealth & Investment (W&I)

1b

Over the past year the management focus was on including sustainability at the core of our investment process. We have integrated ESG considerations into our investment decision-making and broader investment process. We regularly engage directly with company management and executives on matters ranging from remuneration to company strategy, in addition to traditional investment matters. We further utilise these engagements to actively promote our stewardship and ESG integration by discussing ESG and sustainability matters with company management.

The W&I Sustainable Investment Forum co-ordinates the integration of climate-related and sustainability (including ESG) matters in the W&I business across jurisdictions and is chaired alternately between Barry Shamley (South African-based) and Max Richardson (UK-based) and Stacey Parrinder-Johnson (Chief Investment Officer W&I UK).

- In January 2021, through the support of management, we became an official signatory of the UN PRI
- Our management team drove the initiative to sign up as a member to Climate Action 100+ of which Campbell Parry, who is part of the W&I investment management team, is the Investec representative on this forum
- Management also approved joining CDP as a signatory member and to take part in the CDP Non-Disclosure Campaign
- In addition, our management team sits on the Cambridge Institute for Sustainable Leadership (CISL) Investment Leaders Group (ILG).

Policies

We support the precautionary approach to environmental management. We strive to minimise and prevent investing in projects or dealing with counterparties where potential and unmitigated environmental degradation might result. Identifying and quantifying environmental risk is embedded within business risk assessments and management processes.

In principle, with respect to climate and environmental matters, we would not engage in activities:

- That are in contravention of any international and/or local laws and conventions of the countries where Investec or the counterparty operates
- That are non-compliant with human rights, and especially non-compliant with the rights of local communities and indigenous people
- That exploit high conservation value areas and UNESCO world heritage sites (for example any national parks)
- That involve projects in environmentally high-risk areas, including for example, related to tar sands exploitation, Arctic drilling, and drilling in the Amazon rainforest
- Where environmental and social risks are not being managed, including, for example, water use, wastewater management, air emissions, solid waste, spill response or clean-up operations, site restoration and community/stakeholder management.

Group public policies

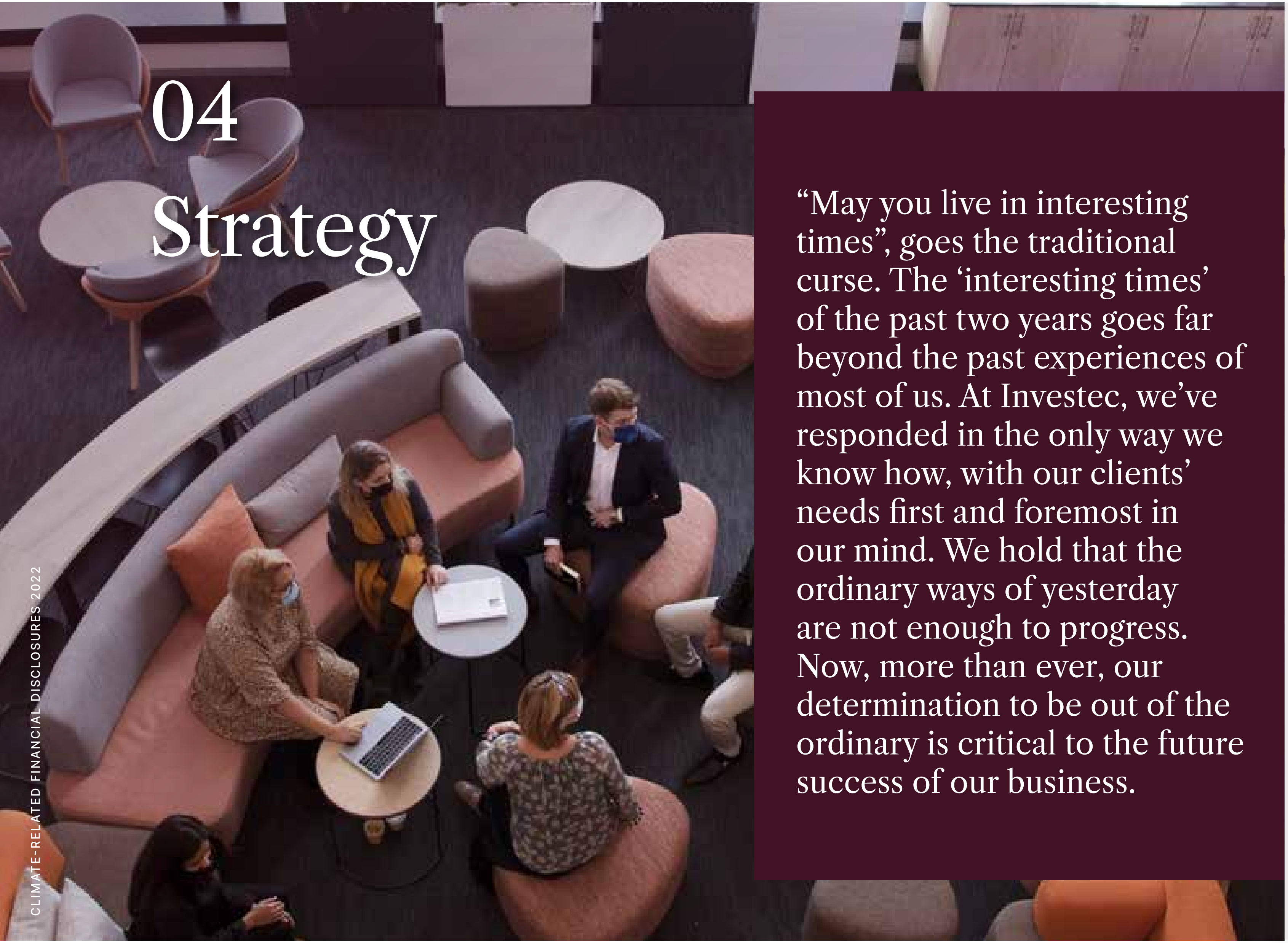
- Environmental policy and climate change statement
- Fossil fuel policy
- Procurement statement
- The way we do business
- Operational resilience statement.

Investec Wealth & Investment policies

- Investec Wealth & Investment ESG and sustainability policy (South Africa)
- Investec Wealth & Investment voting and active engagement policy (South Africa)
- Investec Wealth & Investment Equity and collectives ESG policy (UK)
- Investec Wealth & Investment Engagement policy (UK)
- Investec Wealth & Investment Voting policy (UK)
- Investec Wealth & Investment Stewardship code (UK).

Group internal policies

- Environmental and social risk practices for both our lending and investment activities.



04 Strategy

"May you live in interesting times", goes the traditional curse. The 'interesting times' of the past two years goes far beyond the past experiences of most of us. At Investec, we've responded in the only way we know how, with our clients' needs first and foremost in our mind. We hold that the ordinary ways of yesterday are not enough to progress. Now, more than ever, our determination to be out of the ordinary is critical to the future success of our business.

TCFD disclosure guidance

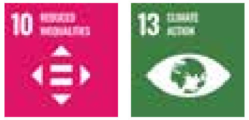
Climate-related risks and opportunities identified over the short medium and long term	2a
Impact of climate-related risks and opportunities for our businesses, strategy, and financial planning	2b
The resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	2c
Embedding climate into our culture and decision-making	
Climate-related education	
Advocacy	

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 investment) a sustainable economy that is cognisant of the world's limited natural resources, and the importance of reducing carbon emissions. 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.

Our purpose is to create enduring worth – living in, not off, society.

Our sustainability framework is based on the UN SDGs

Our two impact SDGs priorities



Addressing climate and inequality issues are fundamental to the success of our business.

Our core SDG priorities

Our sustainability framework is based on:

- Living sustainably within our operations, through our policies, processes, risk practices and reporting
- Partnering with clients and offering sustainability products and services, particularly in water, renewable energy, infrastructure, job creation, clean cities and education
- Aligning our community initiatives to our SDG priorities to maximise impact in education, entrepreneurship and the environment.

For more information on Group environmental policy, **click here**

Advocacy and industry participation

- Members of the Net-Zero Banking Alliance (NZBA)
- Founding member of the African Natural Capital Alliance (ANCA)
- Active participation in UNGC, UN GISD, UN PRI, UNEP FI, BASA, PCAF and other forums
- Working with industry in the UK and South Africa to ensure policy coherence
- Using the strength of our brand to educate and promote sustainable thinking.

For more information to our advocacy participation refer to pages 123 to 131

Our approach

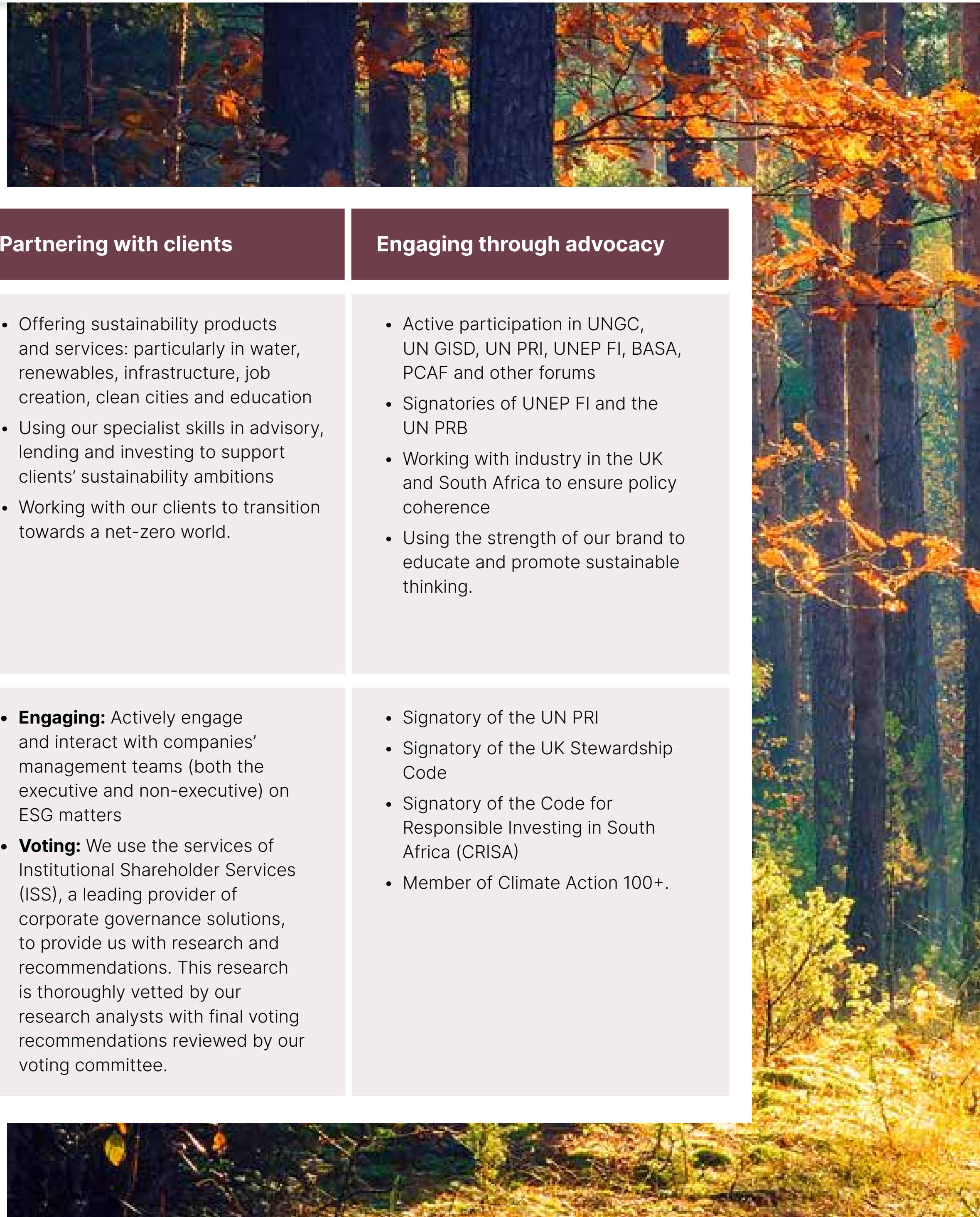
1 Positively contribute to the Sustainable Development Goals

2 Operating responsibly and ethically and within the planetary boundaries

3 Partnering with our clients and philanthropy partners to maximise positive impact

4 Providing profitable, impactful and sustainable, products and services

5 Actively advocating for industry alignment and best practice.



Applying the sustainability framework to our business

		Living sustainably	Partnering with clients	Engaging through advocacy
Within the Specialist Bank	Our Specialist Banking businesses use their skills in advisory, lending and investing to support our clients and stakeholders to achieve our joint sustainability ambitions. We also have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth.	**Our policies and practices:** • Group environment and climate change statement • Group fossil fuel policy • Group defence policy • Group operational resilience statement • Group procurement statement • The way we do business. We perform ESG screening when onboarding new clients, and on all our lending and investment activities.	• Offering sustainability products and services: particularly in water, renewables, infrastructure, job creation, clean cities and education • Using our specialist skills in advisory, lending and investing to support clients' sustainability ambitions • Working with our clients to transition towards a net-zero world.	• Active participation in UNGC, UN GISD, UN PRI, UNEP FI, BASA, PCAF and other forums • Signatories of UNEP FI and the UN PRB • Working with industry in the UK and South Africa to ensure policy coherence • Using the strength of our brand to educate and promote sustainable thinking.
Within Wealth & Investment	We have a responsibility to preserve and grow the wealth that is entrusted to us over the long term. Sustainability is core to our fundamental investment approach. We aim to invest in companies that are able to deliver cost of capital beating returns on a sustainable basis in the long term, while retaining a commitment to all relevant stakeholders.	**Our policies and practices:** • Responsible investing policy • Voting and active engagement policy. We integrate ESG considerations into our investment decision making and broader investment process. We screen all of our centrally researched equities from an ESG perspective on a biannual basis.	• **Engaging:** Actively engage and interact with companies' management teams (both the executive and non-executive) on ESG matters • **Voting:** We use the services of Institutional Shareholder Services (ISS), a leading provider of corporate governance solutions, to provide us with research and recommendations. This research is thoroughly vetted by our research analysts with final voting recommendations reviewed by our voting committee.	• Signatory of the UN PRI • Signatory of the UK Stewardship Code • Signatory of the Code for Responsible Investing in South Africa (CRISA) • Member of Climate Action 100+.

Climate-related risks and opportunities identified over the short medium and long term

2a

Sustainability is part of our core strategy, and we believe there needs to be a balance between economic and financial imperatives, the needs of society and their combined impact on the environment.

Climate-related matters potentially arising in each time horizon

Our time horizons are shown on the next page, with expected risks and opportunities within the relevant time frames. Our time frames are defined as follows:

Short-term (0 – 1 year)	Medium-term (1 – 5 years)	Long-term (5 – 40 years)

Climate-related risks

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 (transition risk). As a result these risks can manifest themselves differently, for example, gradual shifts in market preferences, or rising sea levels. Moreover, climate risk presents both a physical and transition risk across all time horizons – the short term (<1 year), medium term (1 to 5 years) and long term (5 to 40 years). We expect that over a longer time period these risks may have a greater impact on Investec, and while the majority of Investec's lending is short to medium-term, we maintain long-term relationships with our clients, and hence we need to continually assess the impact of longer-term climate-related risks.

Across all time horizons climate change can be both a primary and secondary driver of physical and transitional risk. Extreme weather events, or changing climate patterns may render some operating in various industries impossible e.g. changing precipitation patterns may mean current farm land becomes barren (primary driver of risk). Climate change could also reduce profitability in certain sectors e.g. rising sea levels means the demand for coastal housing is less popular (secondary driver of risk).

The next page details expected risks and opportunities within each time horizon.

Transitioning to a zero-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk. Our mitigation approaches are set out in the risk management section on pages 100 to 101.

Climate-related risks and opportunities identified over the short medium and long term continued

Climate-related transition risks

Transition risk can arise due to markets shifting towards a low-carbon economy as a result of regulatory and policy changes, disruptive technologies, and new business models, which may result in adjustments to the value of our assets or investments.

Other risks impacted: Credit risk | Operational risk | Regulatory risk | Compliance risk

Assets impacted: Real estate (46.8% of loan book) | Fossil fuels (1.9% of loan book) | Transport (3.2% of loan book) | Manufacturing (4.4% of loan book)

Short-term (0 – 1 year)	Medium-term (1 – 5 years)	Long-term (5 – 40 years)	Achievements to date
Policy and legal risk			
Impact: Increased pressure on carbon neutrality within our operations including carbon tax and net zero ambitions within our business activities **Mitigation within our operations:** • Move towards renewable energy sourced within our operations. Currently we source 100% of our energy through the purchase of renewable energy certificates • Implement robust ESG policies and processes **Mitigation within our business:** • Apply a balanced approach to meeting stakeholder expectations • Assess the alignment of our activities with the Paris Agreement goals towards net zero **Associated costs:** • Purchase of renewable energy certificates	**Impact:** Mandatory requirements for climate disclosure and impact of financial accounts for example ISSB disclosure requirements **Mitigation within our operations:** • Evaluate regulatory policies within each of the geographies that we operate in to ensure policy alignment towards the aspiration of a zero-carbon world **Mitigation within our business:** • Continue participating in industry initiatives to test and develop climate reporting methodologies • Continued stakeholder engagement and input into disclosure recommendations **Associated costs:** • Cost associated with implementation of regulations and disclosure requirements	**Impact:** Mandatory disclosures and minimum standards on green credentials or certification on product offerings **Mitigation within our operations:** • Ensure continued policy alignment to the Paris Agreement goals within our core geographies • Maintain strong working relationships with peers and industry bodies to align methodologies **Mitigation within our business:** • Continued stakeholder engagement and involvement in industry advocacy **Associated costs:** • Cost associated with implementation of regulations and disclosure requirements	Implemented robust ESG policies and processes Updated our risk appetite to include climate-related risks Expanded our TCFD disclosures with input from stakeholders Reporting aligned with industry best practice Implemented a focused project to understand our Scope 3 financed emissions and establish a baseline, strategy and targets to reach net-zero
Technology risk			
Impact: Substitution of technology to cleaner alternatives **Mitigation within our operations:** • Ongoing assessment of operational efficiencies to reduce our environmental footprint **Mitigation within our business:** • Incorporating the review of our client's and suppliers transition plans **Associated costs:** • Cost associated with energy efficient technology implementation within our operations	**Impact:** Increased risk of financing legacy technologies **Mitigation within our operations:** • Ongoing assessment of operational efficiencies to reduce our environmental footprint • Adoption of cloud services and reduction on the reliance of on-premise data centres, with an accelerated digitalisation initiative **Mitigation within our business:** • Risk screening and reviewing of client's and suppliers transition plans • Investment in technology and infrastructure to mitigate climate change **Associated costs:** • Increased costs in upskilling resources in climate-related matters	**Impact:** Inaction to move towards cleaner alternatives will lead to stranded assets **Mitigation within our operations:** • Ongoing assessment of operational efficiencies to reduce our environmental footprint **Mitigation within our business:** • Risk screening and reviewing of client's and suppliers transition plans • Appropriately respond to developments in the technology landscape, including the capturing of potential opportunities and the management of disruptive effects on the organisation **Associated costs:** • Increased costs in upskilling resources in climate-related matters	Sourcing 100% of our energy usage from renewables through the purchase of renewable energy certificates. This supports our commitment to the transition to a lower-carbon, energy efficient economy Continued to assess infrastructural efficiencies to reduce our environmental footprint
Market risk			
Impact: Competitor entrance with innovative sustainable financial product offerings **Mitigation within our business:** • Increase product offerings in line with market and client demand (green mortgages, green deposits, sustainability-linked loans) **Associated costs:** • Scaling costs associated with implementing sustainability product offerings	**Impact:** Change in consumer behaviours toward low carbon products **Mitigation within our business:** • Manage and minimise exposures to high emitting industries (e.g. fossil fuels) • Work with those clients to shift to cleaner technologies as they become available **Associated costs:** • Cost related to research and development for new innovative product offerings • Forgone returns from high emitting industries	**Impact:** Increased costs and volatility in prices for carbon heavy products and materials **Mitigation within our business:** • Manage and minimise exposure to carbon heavy industries • Work with clients to move away from carbon heavy products and industries **Associated costs:** • Cost related to research and development for new innovative product offerings • Increase in resource costs to actively engage with clients to support them in implementing carbon reduction strategies and ESG advisory services	Calculated our Scope 3 financed emissions Report on industries exposed to high transition risk Active engagement with clients to support them in implementing carbon reduction strategies Issued several sustainability linked loans Issued our first Green Bond
Reputation			
Impact: Increased concern on greenwashing in product offerings and disclosure **Mitigation within our business:** • Transparent disclosures	**Impact:** Increase stakeholder pressure due to delayed action towards emission reduction **Mitigation within our business:** • Increased and targeted stakeholder engagement	**Impact:** Increase stakeholder pressure due to inaction towards emission reduction **Mitigation within our business:** • Transparent communication on ambitions towards net zero by 2050 or sooner	Published our 21st sustainability report Published our third TCFD report Published our second SASB report Published our second UN PRB report Maintained ESG ratings above our industry peers

Identification of climate-related physical risks

Physical risks resulting from climate change can be event-driven (acute) such as extreme weather events, or longer-term shifts (chronic) such as changes in climate patterns that may have financial implications for our businesses. Our mitigation approaches are set out below:

Short-term (0 – 1 year)	Medium-term (1 – 5 years)	Long-term (5 – 40 years)	Achievements to date	
Acute physical risk				
Impact: Business disruption and asset depreciation. Severe weather can disrupt supply chains which impacts the production capabilities of downstream businesses **Mitigation within our operations:** • Ensure resilience of our operations to acute climate events **Mitigation within our business:** • Measurement of assets that might be exposed to extreme weather events or acute physical risks • Identification and assessment of climate-related physical risks within our loan book **Associated costs:** • Costs associated with geospatial analysis	**Impact:** Our clients' profitability may decrease. Impact on prices and availability in the whole value chain, including knock on effects from suppliers, shippers, infrastructure, and access to customers **Mitigation within our operations:** • Ensure resilience of our operations to acute climate events **Mitigation within our business:** • Evaluate the acute physical risks to our lending and investing activities • Evaluate the potential impact of acute physical risk on our supply chains • Ensure resilience in revenue towards acute physical risks through applying acute physical risk scenario analysis **Associated costs:** • Cost associated with geospatial analysis of physical assets • Increase in impairments associated with assets that may be exposed to physical risks • Forgone returns from riskier property assets	**Impact:** Our clients' profitability may decrease. Higher risk of real estate assets located close to the coastline **Mitigation within our operations:** • Ensure resilience of our operations to acute climate events **Mitigation within our business:** • Given the (relatively) short term nature of the loans, we are able to realign our book relatively frequently to pivot away from properties which may be at higher risk **Associated costs:** • Cost associated with geospatial analysis of physical assets • Forgone returns from riskier property assets • Increase in impairments associated with assets that may be exposed to physical risks	• Evaluated the acute physical risks which our physical offices might be exposed to • Evaluated the acute physical risks to which our real estate asset portfolio in Investec Limited and Investec plc are exposed	**Assets impacted** • Our Operations • Lending collateralised by property (18.5% of loan book)
Chronic physical risk				
We expect chronic physical risks to appear in the medium to long term Our risk appetite of <5% to any sector, agriculture sector is 0.5% of our loan book thus immaterial **Mitigation within our business:** Measure the value of assets exposed to acute physical risks through an in-depth geospatial analysis of our properties **Associated costs:** • Cost associated with geospatial analysis of physical assets	**Impact:** Our clients' profitability may decrease. Impact on supply chains **Mitigation within our business:** • Evaluate asset classes that may be exposed to chronic physical risks • Ensure resilience in revenue towards chronic physical risks through applying physical risk scenario analysis within retail and wholesale sectors **Associated costs:** • Cost associated with geospatial analysis of physical assets • Evaluate the risk of our supply chain to chronic physical risks	**Impact:** Our clients' profitability may decrease. Impact on supply chains **Mitigation within our business:** • Evaluate the risk of our supply chain to chronic physical risks • Continue to ensure robust mitigation of risks is in place through the ongoing evaluation of exposure to chronic physical risks in our business activities **Associated costs:** • Cost associated with geospatial analysis of physical assets	• Evaluated the chronic physical risks to which our offices might be exposed to • Evaluated the chronic physical risks to which our real estate portfolio in Investec Limited are exposed	**Assets impacted** • Our Operations • Retail and wholesale (2.0% of loan book)

Climate-related risks and opportunities identified over the short medium and long term continued

Climate-related opportunities

Climate-related opportunities are realised through the interconnected nature of our business, the economy, the environment and society, where we play a critical role in funding a sustainable economy that is cognisant of the world's limited resources. The UN SDGs provide a solid framework for us to assess, align and prioritise our activities. We 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.

We have a Group sustainable finance framework that aligns with the SDGs. This framework is used as a guiding document to support sustainable financing practices. It also outlines our approach for classifying and managing sustainable financing activities and instruments within our businesses.

Refer to page 47 for more information on our sustainable finance framework.

	Short-term (0 – 1 year)	Medium-term (1 – 5 years)	Long-term (5 – 40 years)	Achievements to date
Resource efficiency We embrace our responsibility to understand and manage our own carbon footprint through reducing energy consumption, water usage, waste, single-use plastic, whilst increasing waste recycling rates, and promoting sustainable travel and sustainable procurement.	**Limit and minimise our direct carbon impact and create awareness to encourage positive sustainable behaviour.** • Maintain carbon neutrality in Scope 1, 2 and operational Scope 3 emissions • Retain or improve our 4-star Green Star Rating for our head office in South Africa through the Green Building Council South Africa (GBCSA) • Retain ISO 14001 and ISO 50001 for our UK energy management system	**Deliberate focus on financing infrastructure solutions that promote renewable and clean energy.** • Increase screening and engagement of our suppliers ensuring responsible supply chain and procurement practices • Encourage suppliers across our supply chain to improve carbon performance and introduce low carbon policies • Preference for green rated buildings	**Share resources and intelligence to support global efforts to the transition to a net-zero carbon economy and play an active role in industry initiatives and forums** • Aspire to be climate positive within our operations • Secure the availability of natural resources in all operations	• Maintained carbon neutrality in Scope 1, 2 and operational Scope 3 emissions for the fourth consecutive financial year • Retained ISO 14001 and ISO 50001 for our UK energy management system • Our UK head office remains certified to the Carbon Trust Waste Standard • Our South African head office is a 4-star rated building, certified by the Green Building Council of South Africa (GBCSA)
Energy source We recognise the need to move as quickly and smoothly as possible towards a zero-carbon economy while always being mindful of the socio-economic consequences of this transition.	• Continue to source all our operational energy from renewable energy	• Continue to drive energy efficiencies across all our operations, especially within our in-house data centres through optimisation programmes	• Explore new technologies to maintain low carbon energy source usage within all our operations	• Sourced 100% of our operational electrical energy from renewable energy
Products and services Investec has a vital role to play in leveraging its capital to finance the transition to a zero-carbon, more sustainable economy. We recognise the need to innovate and develop new low-emission products and services for our clients.	• Leverage our robust sustainability positioning to launch more innovative climate-related and sustainability loans and bonds • Identify new market opportunities through the continual engagement with business areas	• Increase investment in clean energy generation whilst taking socio-economic needs into account • Increase sustainable finance product offerings • Explore the potential for the export finance industry to be more proactive in supporting the global sustainability agenda	• Continue innovation in new products development; focusing on affordable clean energy, industrial innovation and sustainable infrastructure	• Launched a solar offering for our private clients in South Africa • Investec Bank plc closed a \$600mn sustainability-linked syndicated term loan • Investec Bank Limited closed a \$600mn sustainability-linked term loan • Investec Bank Limited issued a Green Bond raising R1bn under our DMTN bond programme • Launched a number of sustainability linked loans to our clients
Markets We continue to pro-actively seek opportunities to enable us to have a greater impact on climate change, thereby increasing revenues and increasing asset diversification.	• Continue to engage with businesses in our climate-related forums to identify new market opportunities	• Harness the expertise in our various businesses to accelerate sustainable finance offerings that support a zero-carbon transition • Increase impact by partnering with clients, investors and stakeholders	• Continue innovation in new market development; focusing on affordable clean energy, industrial innovation and sustainable infrastructure	• Investec Wealth & Investment launched the Investec Global Sustainable Equity Fund
Resilience We continue to play a significant role in the transformation to a robust energy sector, building resilient infrastructure and promoting sustainable development.	• Embed our new climate-related value within all our activities • Monitor our Scope 3 financed emissions against the baseline measurement	• Utilise our lending and investment portfolios to drive change towards low carbon alternatives • Act on opportunities to finance innovative technological or digital solutions to solve socio-economic challenges	• Support our clients globally to transition to a net-zero carbon world through innovative financing solutions • Use the strength of our brand to educate and promote sustainable thinking	• Created a new climate-related value within our business • Established a baseline measurement of our Scope 3 financed emissions

Process used to determine climate-related issues that could have a material financial impact

Climate-related risks

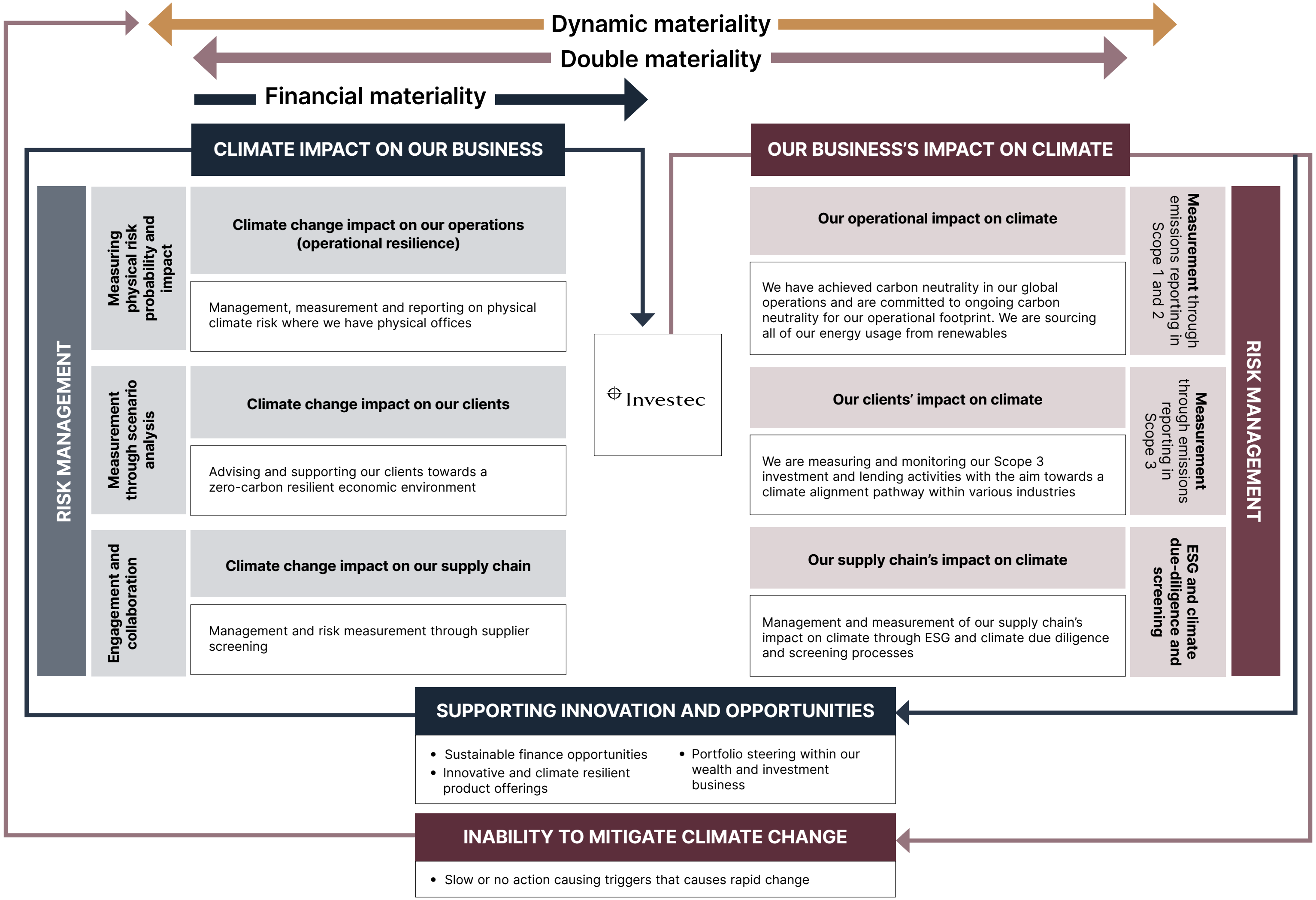
We acknowledge that climate change may have a material financial impact on our company but also recognise that our company may have material impacts on the environment and society.

ESG and climate-related risks are managed as a principal risk. Our lending and investment activities may give rise to unintended environmental, climate, social and economic consequences. Material climate-related risk considerations are integrated into multidisciplinary, Company-wide management processes throughout the Group and are managed within our credit and lending portfolios. We have a Board-approved risk appetite framework where significant exposures to certain industries are avoided. Our approach to climate change reporting considers double materiality. This incorporates risks and opportunities from both financial and non-financial perspectives. A combination of regulatory guidance, industry engagement and peer research and expert judgment was used to establish which climate-related risks we might be most vulnerably to. In addition, we follow the recent developments of the shared visions published by the ISSB and their commitment to work in close cooperation with the IASB, ensuring connectivity and compatibility between IFRS and the ISSB's standards.

We have assessed the significance of our exposure to climate change risk through the double (dual) materiality approach, considering:

- Climate-related matters that can result in a material financial impact and
- Business activities that can have a material impact on climate change and environmental degradation.

We recognise that what appears financially immaterial today, can quickly prove to be business-critical tomorrow, and that issues have the potential to become financially material very rapidly (the concept of dynamic materiality). As financial institutions continue to develop frameworks to incorporate dynamic materiality, we will continue to monitor industry best practice and enhance our own knowledge in this space.



We evaluated materiality by establishing a baseline for our impact on climate through our financed emissions. We calculated emissions within our various asset classes using the Partnership for Carbon Accounting Financials (PCAF) and Paris Agreement Capital Transition Assessment (PACTA) methodology, focusing on commercial real estate, mortgages, aviation finance, motor vehicle finance, energy generation and listed equity. This materiality assessment (in terms of scope and size) is shown on page 101 of the risk management section.

Impact of climate-related risks and opportunities on our businesses, strategy and financial planning

2b

How climate-related risks and opportunities affect our business and financial planning

Products and services: Climate related risk has lead to an enhanced ESG screening process, with transactions that fall within high-risk industries subject to even further scrutiny. Our ESG screening criteria is shown on page 99.
We manage our exposures to the fossil fuel industries and have committed to zero coal exposure within our Investec plc entity within the next three to five years.
There are numerous opportunities presented by climate change to move towards lower carbon product offerings, which are detailed on pages 48 to 53.

Supply chain: Our Investec Group procurement statement acknowledges the potential for our procurement and supply chain practices to be agents of change, for different aspects of sustainability. As such, where possible, we commit to local sourcing and our supply chain statement incorporates standards on human rights, labour rights and environmental and anti-corruption principles, as set out in the UN Global Compact. All suppliers undergo a rigorous online screening and ESG due-diligence process before they are onboarded. This screening process assesses the risk level (high, medium, or low) for each supplier, which in turn determines the level of information requested from them. With regards to environmental and climate-related conditions, we aim to only engage with suppliers who:

- Operate in compliance with all applicable environmental 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.

Adaptation and mitigation activities: To date our activities largely focused on financing mitigation activities. These include:

- Offering various sustainability-linked loans (SLLs), linked to the reduction of fossil-fuel based energy and an increase in use of renewable energy
- Financing renewable energy solutions
- Financing water infrastructure (adaptation)
- Launching a solar offering for our private clients in South Africa.

Investment in research and development:

- **Investec co-chairing the production of ICC Export Finance Sustainability White Paper:** Global Trade Review (GTR), a leading publication in the trade and export finance market, has recognised Investec for its role as co-chair in the production of a landmark White Paper on sustainability in export finance which was launched during the UN General Assembly in September 2021. Through this first ever Industry Achievement Award, GTR has recognised the unprecedented collaboration between 16 banks, the ICC and The Rockefeller Foundation and co-chairs Investec and ANZ Bank to produce a world class piece of analysis on the $250bn export finance market and the role it is playing and can play in supporting the SDGs going forward.
- **Investec being a founding member in a network launch to transform industry ESG practices:** Investec is part of a membership network, Sustainable Trading, that launched a non-profit membership to transform ESG practices within the financial markets trading industry. It aims to bring together companies in the financial services sector to generate practical solutions to industry-specific ESG issues, and to develop a mechanism for self-assessment and benchmarking. Investec was one of the founding members along with Aegon Asset Management, M&G, Ninety One and State Street Global Advisors. Membership of Sustainable Trading is open to participants within financial services engaged in trading, or providing trading-related, services. Sustainable Trading members will consider the environmental impact of how the financial trading industry builds, maintains, and operates trading infrastructure along with focusing on diversity, inclusion, employee well-being, engagement with communities and a stakeholder-oriented approach to governance. The aim is to create a sustainable industry for the future where the principles of good environmental, social and governance practices are well integrated.

Operations: Within our operations, we manage our own carbon footprint and source 100% of our energy from renewables, through the purchase of renewable energy certificates.
Our Sandton office has a 4-star Green Building Council of South Africa (GBCSA) certification. In the UK, we extended our Environmental Management System's certification to international environmental standard ISO 14001 from our head office, first achieved in 2012, to across 23 of our UK, Ireland and Channel Island offices. Our Energy Management System's certification to international energy standard ISO 50001, first achieved in 2018, across our UK and Channel Island offices, was recertified for the next three years.

Having first certified to the Carbon Trust Waste Standard in 2012, our UK head office's waste management system remains certified to the standard which is awarded to organisations that can demonstrate achievement in managing and reducing waste output and improving resource efficiency.

How climate-related matters serve as an input to our financial planning process

As part of the divisional budget process, ESG matters are discussed and new climate-related opportunities are presented. The review process provides an opportunity to discuss and debate innovation and changes in client demand. Our value creation business model refers to the Six Capitals and can be seen in the Investec Group's 2022 integrated and strategic annual report on page 13.

Impact of climate-related matters on our financial performance, planning and positioning

Investec is currently undertaking a project to quantify the potential economic impacts of climate risk, with the aim of incorporating these modelled scenarios into the financial performance and planning processes. Investec is formulating these climate risk scenarios considering the Network for Greening the Financial System (NGFS) climate scenario framework. The scenarios will simultaneously consider transition and physical risks whilst incorporating the impact of policy changes around aspects such as carbon emissions, and the impacts of changes to technology (solar, wind, etc), alongside different time horizon projections.

Financial performance

- **Revenues:** To date, transition and physical risks have not negatively impacted our revenues. On the contrary, due to increased demand for Investec's low-carbon product offerings (refer to pages 48 to 53) and advisory services helping clients reach their net-zero ambitions we may see an increase in revenues.

- **Expenditures:** We have contributed R2 103 329/£95 606 (2021: R1 114 490/£50 659) towards carbon offsets and renewable energy certificates. Our carbon tax is immaterial being R800/£37 (2021: R948/£43). During the past year we utilised climate-consulting services to help guide us towards our net-zero ambitions. Our wealth and investment business has engaged the services of third-party providers (Clarity AI, ISS & Sustainalytics), who provide us with the ability to review various climate risk metrics in our managed and third party investments. We have also had additional expenditure relating to education and training in both the UK and South Africa, to ensure our staff are able to understand climate risk, incorporate it into their business activities and investment decision making, and to equip them to have comfortably direct discussions with our clients and investors.

Financial positioning

- **Assets:** To date transition and physical risks have not had an impact on the valuation of our assets. We have evaluated our exposure to physical risks within our real estate portfolios (refer pages 93 to 95), and transition risk within our most material asset classes (refer page 87). As we look to the future, we intend to use our evaluations to guide any potential realignment of our portfolios if necessary. Investec are also continuing to move into the sustainable asset space, we have issued several sustainability linked loans across various sectors.

- **Assets under management within Wealth & Investment:** Recent initiatives include:
  - **Global Sustainable Equity Fund by Investec Wealth & Investment:** Investec's Global Sustainable Equity (GSE) Fund aims to invest in companies that contribute on a net positive basis towards the 17 SDGs. Over the course of 2021 the fund raised over $30mn of new investment, providing a return of 15.2% in US Dollars. The impact of the fund is defined in terms of how companies contribute to global challenges, through the lens of the SDGs as an impact framework, by both growing wealth and helping to create a positive, sustainable global environment.

Financial positioning continued

The impact is calculated using Institutional Shareholder Services' (ISS) SDG impact methodology, with the scores of individual companies assessed by ISS, considering positive and negative contributions of revenue, operations and negative controversies towards the SDGs. The fund's overall score is +4.6, against the benchmark MSCI World of +0.8, with 100% of the underlying companies providing a net positive impact in terms of their contribution to the SDGs. The fund has been awarded the '5 globes' sustainability rating by Morningstar, indicating its position in the top 10% of its peer group in terms of its ESG risk management.

– **Sustainable Master Portfolio Service by Investec Wealth & Investment:** Investec launched two sustainable Master Portfolio Service (MPS) models for independent financial advisers, which reflect its expertise in fund selection and embody Investec's purpose: to create enduring worth – living in, not off, society. The Sustainable MPS range is a multi-asset investment solution that allows clients to generate returns whilst contributing to a more sustainable future. The funds have a sustainability focus, meaning that the investment process looks to identify and manage ESG-related risks and seek opportunities that arise from long-term trends in society. The investment approach prioritises sustainability-focused themes, and we assess the merit of each investment with thorough, ongoing reviews against strict criteria, based on proprietary research and manager meetings. The product is available, via both Aviva and Aberdeen (abrdn) platforms. The asset management company on Investec's new Sustainable MPS models remains at 0.20% with ongoing charges figure capped at 0.75%, and they are also VAT exempt.

- **Liabilities:** To date the opportunities from climate change have increased liabilities as seen in the three recent fund-raising initiatives described below:
  – **Investec Bank plc closed a $600mn sustainability-linked syndicated loan:** Investec Bank plc completed its inaugural sustainability-linked syndicated loan in July 2021. The deal was significantly oversubscribed following strong interest from the syndicate of bank lenders, enabling the deal to be upsized from $450mn to a $600mn. A total of 33 banks subscribed to the transaction across Africa, North America, Asia, the Middle East and Europe. Investec will achieve a reduction in margin on the loan if it meets its sustainability targets, as measured by Sustainalytics; but will face an increase if it falls short of them.

  – **Investec Bank Limited closed a $600mn sustainability-linked term loan facility:** Investec Bank Limited successfully closed a $600mn sustainability-linked term loan facility. The proceeds of the loan are to be used for general corporate purposes, including the refinancing of a $500mn syndicated term loan facility. This is the first sustainability-linked syndicated loan signed by Investec Bank Limited. The facility was initially launched at $300mn and achieved a significant oversubscription of over 2.5 times the launch amount. Commitments were scaled back, and the significant market demand further allowed the deal to be increased, closing at $600mn. A total of 22 banks committed to the transaction from across North America, Europe, the Middle East and Asia.

  – **Investec Bank Limited issued a Green Bond raising R1bn under our DMTN bond programme, (3.8 times) oversubscribed:** Investec Bank Limited reaffirmed our commitment to funding a sustainable future, with the issue of the first Green Bond. The Green Bond references existing return generating flagship renewable energy projects. These are all accredited renewable projects currently delivering clean power into the grid. The projects also have concurrent programmes helping to create jobs and uplifting communities. There is increasing pressure from stakeholders to make a positive contributions to society and the environment through ESG policies and related financing. Green Bonds fulfil an important role within the fixed-income component of an institution's portfolio, especially where there is a reference to bankable, cash-generative projects. The bonds raised R1bn under Investec's domestic medium-term note (DMTN) bond programme. The issue, which was 3.8 times oversubscribed, highlighted a healthy appetite among institutional investors looking to make a positive impact in terms of their ESG commitments. The bonds have been issued in line with the Green Bond principles of the International Capital Markets Association (ICMA), a global association of debt securities issuers as well as the Investec sustainable finance framework. The principles seek to support the financing of environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. Green Bonds are the most well-developed of the sustainable finance markets and align well with our aspiration as a Group to fund a clean and energy-efficient world.

Impact of climate-related risks and opportunities on business, strategy, and financial planning

An important aspect of our approach is a deliberate focus on financing infrastructure solutions that promote renewable and clean energy, stimulate economic growth, and provide access to essential services. However, the transition to a zero-carbon world cannot be achieved 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 the local context (for example, poverty, growth, unemployment and carbon impact). We focus on climate resilience as a priority for our businesses and the communities in which we operate, and consequently we screen all fossil fuel related transactions to ensure full adherence to our fossil fuel policy. Any fossil fuel exposure is managed through a full due diligence process and must comply with our fossil fuel policy.

We are aware that our exposure to fossil fuels may fluctuate from one year to the next, especially exposures on the African continent which severely lack access to clean and renewable energy. Our appetite for this sector is reviewed annually at the executive risk appetite forum and the DLC SEC. Refer to pages 110 to 112 in the metric and targets section for more detail on our fossil fuel exposure.

We believe that our most significant impact on the environment and climate change is through our lending and investing activities. We use our specialist skills in the advisory, lending and investment businesses to support clients and stakeholders to move as quickly and smoothly as possible towards a zero-carbon economy. We have created a sustainable finance framework to support our sustainable financing practices. The framework outlines the approach for classifying and managing sustainable financing activities and instruments.

For more information on our framework **click here**

We have used the SDG framework to identify where we will have the most impact within our core capabilities. We examined the country's needs in each geography and coupled that with our internal expertise.

Sustainable finance framework, and climate-related opportunities

We have created a sustainable finance framework that outlines the methodology and supporting policies and procedures to support sustainable financing practices within the Investec Group. This framework describes our approach for classifying and managing sustainable financing activities aligned to global best practice, sustainable finance methodologies, guidelines, and taxonomies, including but not limited, to:

- ICMA Green Bond Principles 2021
- ICMA Social Bond Principles June 2021
- ICMA Sustainability Bond Guidelines June 2021
- ICMA Sustainability Linked Bond Principles 2020
- LMA Green Loan Principles 2021
- LMA Social Loan Principles 2021
- LMA Sustainability Linked Loans Principles 2022
- Sustainable Finance Taxonomy issued by the European Union 2020
- Climate Bonds Taxonomy 2021 issued by the Climate Bonds Initiative.

The framework is underpinned by addressing climate (SDG 13) and reduced inequalities (SDG 10), being fundamental to the success of our business. We address these impact SDGs through six core SDGs that are globally aligned yet locally relevant to our core geographies. These core SDGs also reflect our current business model and growth strategy to fund a stable and sustainable economy. In addition, we have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth. These six core SDGs were selected by looking at the needs of the two countries where we have the largest presence, being South Africa and the UK. Coupled with this we selected the SDGs, factoring in the core capabilities and expertise we have within the business and where we believe we can maximise impact.

Two impact SDGs

10 REDUCED INEQUALITIES

Reduced inequalities

DLC Board: 36% women and 43% persons of colour (measured in terms of the Parker Review metrics)

Investec Bank plc (IBP): Female Bank Chief Executive

Investec Bank Limited (IBL): Level 1 BBBEE

Anchor limited partner investor in the Acre Impact Capital Export Finance Fund focused on infrastructure in emerging markets

13 CLIMATE ACTION

Climate action

Carbon neutral in our direct operations and publicly disclosing our Scope 3 financed emissions

Minimal exposure to fossil fuels. Investec plc committed to zero coal in 3 – 5yrs

W&I joined Climate Action 100+ and Investec Group joined the UN Net-Zero Banking Alliance

Six core SDGs

4 QUALITY EDUCATION | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES

WE SUPPORT THE GLOBAL GOALS

Received a five-star rating from **We Support the Goals,** demonstrating our alignment with the UN SDGs

All proposed activities need to comply with the eligible criteria which includes:

- Alignment with Investec's purpose and sustainability strategy
- Not falling within the excluded categories outlined on page 100
- Ensuring a net positive contribution towards the SDGs

While projects supporting Investec's two impact and six core SDGs will be our core focus to ensure we are maximising impact, a positive contribution to any of the SDGs will be considered.

Looking forward

Since implementing our sustainable finance framework we have launched several sustainability products and offerings including those outlined in the pages that follow.

Our focus for the coming year is to quantify all transactions which fall within our sustainable finance framework to ensure accurate disclosure of all sustainable finance activities across the Group.

Our sustainable finance framework is available on our **website**

6 CLEAN WATER AND SANITATION

Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all.

SDG 6.1 Safe and affordable drinking water

Private Capital funds Abeco Tanks

Stable water supply in

>38 countries

Contributing to our impact SDGs:

In South Africa, Investec Private Capital is an equity partner in Abeco Tanks. Water is required for agriculture, business, industry and mining, all pillars of our continent's developing economies. Abeco Tanks provides hygienic storage of water through their cost-effective large-scale steel storage solutions which include elements of safety, hygiene, quality and durability. These water tanks which address the need for a convenient and stable water supply, have been installed in over 38 countries worldwide. This year, Abeco Tanks have manufactured and supplied 55 water tanks in rural areas (worth R40.4mn) and five water tanks at schools, colleges and universities (worth R2.2mn). In addition, Abeco Tanks supported municipalities across South Africa through 11 projects at clinics and hospitals to the value of R5.4mn.

The water tanks have enabled a reliable supply of water to communities and healthcare facilities to ensure that people are able to regularly wash their hands, and played a major role in curbing the spread of COVID-19.

Abeco Tanks is the world's first bank for the business of water, trusted for nearly 40 years to protect against water scarcity. The company's steel water storage tanks are found in countries across the globe including Africa, Central America and the Middle East. Abeco is a private, family-owned business together with equity stakeholder and funding partners, Investec Private Capital and Global Capital Empowerment Fund.

With its 269 000 square foot manufacturing facility in South Africa, and hundreds of employees, Abeco has erected more water tanks than any other company in Southern Africa, making it the definitive leader in water storage solutions.

For more information, **click here**

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. Not only is it vital for agriculture, biodiversity and economic growth, but it also keeps children in school and increases opportunities for women and girls in rural areas.

Benefits to 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 facilitate business growth. In our own operations, we continually seek opportunities to reduce our consumption and usage of water.

SDG 6.4 Substantially increase water-use efficiency across all sectors

Investec provides funding for Trans-Caledon Tunnel Authority

R1.65bn

term facility over 15 years to support water infrastructure

Contributing to our impact SDG:

Investec provided funding for the Trans-Caledon Tunnel Authority (TCTA), a state-owned entity that designs bankable projects, raises funding in capital markets, manages debt and implements infrastructure rollouts. Investec recognises that as a water-scarce country, South Africa requires a dedicated focus on ensuring adequate water storage and transfer capacity. Investec's funding will be used for phase two of the Lesotho Highlands Water Project enhancing assurance of water supply and reducing the impact of acid mine drainage. This continued development of the Lesotho Highlands Water Project is expected to create 545 000 direct and indirect job opportunities in South Africa and Lesotho.

For more information **click here**

Impact of climate-related risks and opportunities on our businesses, strategy and financial planning continued

Affordable and clean energy

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

SDG 7.2

Increasing the share of renewable energy

Participated in

£0.70bn

of renewable energy projects globally **(2021: £0.95bn)** with

£865mn

investment **(2021: £545mn)**

Financed

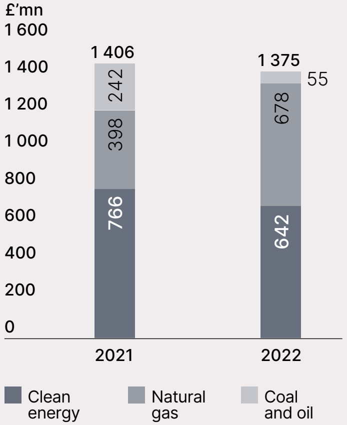
13 projects

(2021: 12 projects) with installed capacity of

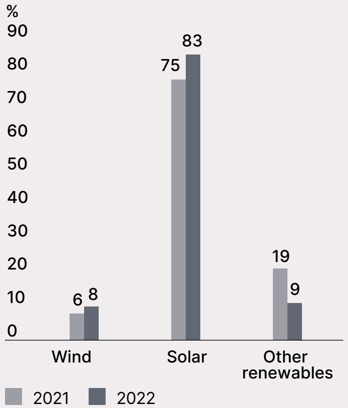
8 029MW

(2021: 7 966MW)

Power and infrastructure energy portfolio



Renewable energy financed



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 zero-carbon economy.

Benefits to 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.

"Building a sustainable society means embracing diversity. Energy is not that different. A robust energy market combines the old with the new, the high-tech with the basic, the large with the small. It tolerates apparently strange solutions and encourages innovation. Above all, it ignores the zealots, who probably represent the single biggest risk to our energy future."

Harold Hutchinson:
Head of UK Equity Research

Environmental impact	2022	2021	2020	2019	2018	Total over 5 years
Participation in Power and Infrastructure renewable energy projects (number of projects)	**13**	12	11	14	8	58
Value of participation in Power and Infrastructure renewable energy projects (£)	**0.7bn**	0.9bn	1.0bn	1.6bn	1.2bn	5.4bn
Renewable energy capacity (MW)	**8 029**	7 966	3 924	1 863	1 450	23 232

SDG 7.2 continued

Investec supports Pele energy

Contributing to our impact SDGs:

SMEs supported

in wind and solar projects

Pele Energy Group is a black-owned energy and development company. Investec helped raise growth and working capital through a unique preference share funding structure, leading to a long-term partnership with Pele. Funds raised will support project development for pipeline projects, working capital and equity funding for one of Pele's wind farms (101MW), currently under construction, as well as future wind and solar projects.

The finance structure also provides Pele with access to Own Equity Contribution funding, typically the most difficult tranche of equity funding for projects. The ability to secure this funding is a unique and compelling element for Pele's future projects. This tranche is lowest ranking on the cashflow scale, and typically characterised by limited or no available funding.

Investec also provided acquisition funding to increase Pele's stake in the Touwsrivier concentrated solar power plant, a people-led initiative aimed at making socio-economic progress through this project and other measures.

Investec's close involvement in both transactions supports Pele's long-term growth aspirations and strengthens the strategic partnership between the companies. The ability of the Power and Infrastructure Finance team to assess Pele's business comprehensively, rather than limit risk to a project level is novel, demonstrating an appreciation of the full business model, which couples' energy investments with a wide variety of related services, ranging from construction management to community development.

"We know we can revive the economy through infrastructure development and have a 13-year track record with REIPPPP to prove it. We have even expanded into making direct investments in new industries for further growth in historically underprivileged communities. This is evidence that the future we all hope for, is viable."

For more information, **click here**

Fumani Mthembi
Pele Energy co-founder and Knowledge Pele MD

Power & Infrastructure Finance UK supports Westfield energy-from-waste plant

£62.5mn

underwrite to EfW

Contributing to our impact SDG:

Investec's Power and Infrastructure team in the UK supported the Westfield energy-from-waste (EfW) plant with a £62.5mn underwrite. Westfield was the site of one of the UK's largest open cast coal mines from the 1950s to the 1980s. The key focus of development is the construction of a 240ktpa EfW plant. The plant will generate significant activity on the site and will be able to offer affordable renewable power to attract other industrial operators to invest in the site.

The prospect for the plant is believed to produce a world-class, cost-efficient residual waste disposal option for Fife Council and many of the other Scottish local authorities that have not yet secured a disposal route for their waste. Grate combustion technology will be deployed to provide a stable and reliable technology solution that will be well-placed to adjust to the inevitable changes that take place in the mix of waste over the next 25 years, as further progress is made in reducing waste and improving recycling rates.

SDG 7.2 continued

Power and Infrastructure Finance UK acts as sole financial adviser to Low Carbon for renewable energy pipeline

Contributing to our impact SDG:

Advising development

of renewable energy

In the UK, Investec's Power and Infrastructure Finance team acted as sole financial adviser to Low Carbon on a substantial private capital raising to fund its proprietary international renewable energy pipeline.

Low Carbon is a leading renewable energy investment fund and asset management platform committed to the development and operation of renewable energy at scale. Low Carbon invests into both renewable energy developers and projects across a range of renewable energy technologies including solar photovoltaic (PV), wind, energy storage, waste-to-energy and energy efficiency. With a significant renewable energy pipeline in development, Low Carbon is well-positioned to capitalise on opportunities as the need for renewable energy and energy security increases.

Investec worked intensively with Low Carbon to develop a compelling equity story as a leading renewables independent power producer and ran a competitive phased process.

Low Carbon ultimately chose to partner with the Massachusetts Mutual Life Insurance Company (MassMutual), a leading mutual life insurance company with a focus on delivering long-term value and secured a substantial funding commitment from them. By 2030, it is anticipated that the partnership's operational renewables capacity (target 20GW) will have generated enough clean energy to avoid a total of more than 11mn tonnes of CO_2e.

Investec supported Low Carbon through this intensive, ESG-themed infrastructure capital raising process resulting in the partnership with MassMutual for their global renewable energy ambitions.

Contributing to our impact SDG:

Privilege Finance and Investec strike £90mn partnership for climate investment

Accelerate deployment

of new climate change projects

For more information **click here**

Privilege Finance and Investec Bank plc announced a long-term partnership which will release up to £90mn worth of funds for UK climate change projects. To date, in excess of £30mn has been arranged. The funding will be offered to existing anaerobic digestion (AD) customers to refinance their projects as they commence operations, providing interest savings to borrowers and freeing up Privilege Finance's capital to be reinvested, accelerating the deployment of new funding for new climate change projects.

Launched in 2001, Privilege Finance has deployed more than £500mn to build 40 AD facilities. These generate a combination of renewable electricity, heat and biomethane to produce over 3.5GW of energy per day.

Investec Property launches Africa's largest solar PV plant

Reducing the electricity consumption

from South Africa's power grid

Contributing to our impact SDG:

Investec Property is installing the continent's largest rooftop solar PV plant on the top of Cornubia Mall, KwaZulu-Natal. This is a key step in Investec Property's mission to embrace renewable low-carbon emission technology across its assets, thereby decreasing their environmental impact on society. Given the state of energy insecurity in South Africa, Investec Property, in partnership with Terra Firma Solutions, wants to embrace renewable low-carbon emission technology across its assets to decrease its carbon footprint.

The implementation of the solar PV rooftop will significantly reduce the electricity consumption from South Africa's power grid. Terra Firma Solutions will install the plant, one of the 15th biggest in the world. With a DC capacity of 5.25MWp and an AC capacity of 4.29MW, Cornubia Mall's solar PV plant will be the largest rooftop-only solar PV plant in Africa.

For more information **click here**

SDG 7.2 continued

Contributing to our impact SDG:

Private Bank clients offered solar power financing

Reducing the impact

of regular power outages in South Africa

Aligning with our commitment towards net-zero carbon emissions, we are rolling out a funding solution for our private banking clients to install solar panels and battery storage systems in homes, providing a power solution in South Africa, which is regularly affected by electricity outages.

The offering, which follows a pilot programme for 1 000 customers in South Africa, will allow clients to tap unutilised home-loan facilities or have money re-advanced to them to put in place the systems, that can cost in the region of $10 000, or significantly more, depending on the size of the property.

This will provide our clients with access to multiple providers and exclusive solutions for personal or business needs.

For more information **click here**

Investec acts as Joint Bookrunner on Smart Metering Systems' equity fundraise

£175mn **equity fundraise**

Contributing to our impact SDG:

Investec acted as joint bookrunner to Smart Metering Systems plc, helping it raise gross proceeds of approximately £175mn by way of a firm placing. The net proceeds from the fundraise will be used to part-fund future growth opportunities, including the company's meter and grid-scale battery pipeline. Smart Metering Systems plc is the fully integrated energy infrastructure company owning and managing meter assets, energy data, grid-scale batteries and other carbon reduction assets.

For more information **click here**

Investec provided a sustainability-linked loan to Oceana

Contributing to our impact SDG:

Supporting our clients

towards carbon neutrality

Investec provided Oceana with a sustainability-linked loan (SLL), linked to sustainability performance targets which will attract a margin benefit if they meet their targets. Targets include the use of renewable energy and conversion away from freon refrigeration in a number of their vessels. Operations included in the sustainability-linked overlay include fishing, processing, commercial cold storage and logistics operations in South Africa and Namibia. The loan was structured in line with the SLL principles with Standard Bank acting as the sustainability coordinator.

Sustainability is at the heart of Oceana's core purpose, which is to make a positive impact on society, by creating long-term sustainable value for all shareholders. This facility supports Oceana's overarching goal of carbon neutrality by 2050, in line with the Paris Agreement goals.

For more information **click here**

Sustainable Cities and Communities

Make cities inclusive, safe, resilient and sustainable.

SDG 11.C

Supporting sustainable and resilient buildings

Contributing to our impact SDGs:

Investec Real Estate provides a £45mn investment facility for a Grade-A office building in London

Creating a sustainable city and community for

4 000 office workers

Investec Real Estate provided Quintain, a leading mixed-use developer and major regeneration specialist, with a £45mn investment facility secured against The Hive, a Grade-A office building in Wembley Park, London.

The loan refinances an existing facility and represents the first transaction between the two companies. The Hive comprises 10 684m^2 of state-of-the-art office space across nine floors. The building features in-demand three metre floor-to-ceiling heights and a wide range of amenities. It is also BREEAM certified, an international scheme that provides independent third-party certification of the assessment of the sustainability performance of buildings and has a WiredScore gold certification. Adjacent to Wembley Stadium, the building occupies a prominent position in Wembley Park, Quintain's 85-acre mixed-use regeneration site which is home to 4 000 office workers.

"This is our first deal with Quintain, which has spearheaded the transformation of Wembley Park over the last 20 years, delivering world-class office, residential and retail space to complement the area's unrivalled sports and music provisions."

Jonathan Long
Head of Corporate Lending, Investec Real Estate

For more information **click here**

Our net-zero carbon reduction commitments

The Investec Group acknowledges that climate change is material and poses significant opportunities and risks to the Investec Group, including its ability to generate value for its shareholders over time. The Investec Group recognises and supports the aims of the Paris Agreement goals.

We have signed up to the

Net-Zero Banking Alliance (NZBA),

reaffirming our commitment to a sustainable net-zero world.

This alliance brings together banks worldwide, which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050. Combining near-term action with accountability, this ambitious commitment sees signatory banks setting an intermediate target for 2030 or sooner, using robust, science-based guidelines.

In addition, we tabled a

voluntary climate-resolution

at our August 2021 AGM.

This resolution was passed with a 99.9% vote committing us to **disclose a baseline of Investec Group's Scope 3 financed emissions,** which will highlight asset classes where we may have significant emission exposures.

Once we have established the materiality of these exposures, we have committed to formulate a strategy by working with our clients to reduce the Scope 3 emissions. This strategy will then inform the Group's short-, medium- and long-term targets to reach net-zero emissions and alignment with the Paris goals. This will, however, be based on a geographical approach that is guided by (but not limited to)

the net-zero trajectories

of our two core jurisdictions, South Africa and the UK.

Resilience of our climate risk strategy 2c

Resilience of our strategy to climate-related issues

Resilience of our strategy to climate-related risks

Our lending and investment activities straddle a range of sectors and industries. Different sectors will be impacted by climate related risk in different ways both in terms of the type of risks faced (transitional or physical) and the magnitude of these risks. Our first step in decarbonising our portfolio, was to calculate our financed emissions, using the PCAF methodologies. With this information, we focussed on the sectors and industries responsible for the highest emissions and evaluated targets to ensure that Investec meets the targets of the Paris Agreement goals. To benchmark our targets we evaluated the suggested targets set by PACTA and SBTi. In addition, we have evaluated country specific transition pathways targets provided by PACTA and SBTi.

By assessing and quantifying our climate-related risks now, and truly understanding where the risk in our portfolios lies, we can create specific mitigation plans to minimise and confront climate-risk. Our approach towards mitigation efforts are detailed on the following pages.

Resilience of our strategy to climate-related opportunities

All climate-related opportunities that present themselves, whether lending, investing or advisory specific, are assessed through our sustainable finance framework. This framework outlines the approach for classifying and managing sustainable financing activities and instruments. The framework remains flexible enough that as markets and offerings change, we will be agile enough to seize new opportunities as they arise. This framework is reviewed every year which gives scope to move with emerging trends.

For recent opportunities where we have partnered with our clients refer to pages 48 to 53.

How our strategies might be affected by climate-related risks and opportunities and how our strategies might change to address such potential risks

Climate-related risks

Our strategy within Investec has always been to partner with our clients, which is our overarching approach to guiding our clients towards a net-zero world. We acknowledge that the manifestation of the financial risks from climate change is relatively unknown and as such our strategy will need to adapt as more information becomes available. We endeavour to keep up with the latest research, modelling and data so that we can realign our strategies if necessary. We will use the annual risk appetite review process to consider and discuss climate-related risks in guiding our forward-looking strategic approach.

Within Wealth & Investment, we are a CDP investor signatory and participate in their Non-Disclosure campaign to ensure the companies we invest in provide a CDP disclosure where appropriate. We encourage companies in direct engagements to set their decarbonisation targets in conjunction with the SBTi to ensure there is rigour in their commitments.

Climate-related opportunities

Investec has chosen to specifically focus on two UN SDG goals, reducing inequality (SDG 10) and climate action (SDG 13), as this is where we feel our skills and expertise as a business can make the most impact. Working towards these two SDGs, guides our strategy and provides a solid framework for us to assess, align and prioritise our activities.

Looking forward, we remain committed to working towards our chosen goals and as technology changes, and as sustainable product offerings improve, we will continue to seek opportunities that align with our chosen goals. We anticipate that our strategy may change in its execution to accommodate any new technologies and product offerings.

Our climate-related scenarios and associated time horizons

Climate risk

Climate risk can be defined as the risk associated with a rapidly changing climate, posing risks to financial stability.

We have attempted to quantify the risk that climate change may pose for the business through scenario analysis. This allows us to develop an understanding of how various combinations of climate-related risks, both transition and physical, may affect our business and performance over time. These scenarios will not provide us with a precise outcome, or forecast, but will instead guide us to consider how the future might look if certain trends continue.

Transition risk scenarios

Transition risk can arise due to markets shifting towards a low-carbon economy as a result of regulatory and policy changes, disruptive technologies, and new business models, which may result in adjustments to the value of our assets or investments. Within our business we provide funding to some resource-intensive sectors. Although our exposure to these sectors is low, contributing in total 7.2% of our loan book, they have been identified and we will work with our clients in these sectors towards a net-zero impact. A key aspect of this collaboration would be to evaluate alignment of their transition plans with the objectives of the Paris Agreement goals to 'hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels'.

Physical risk scenarios

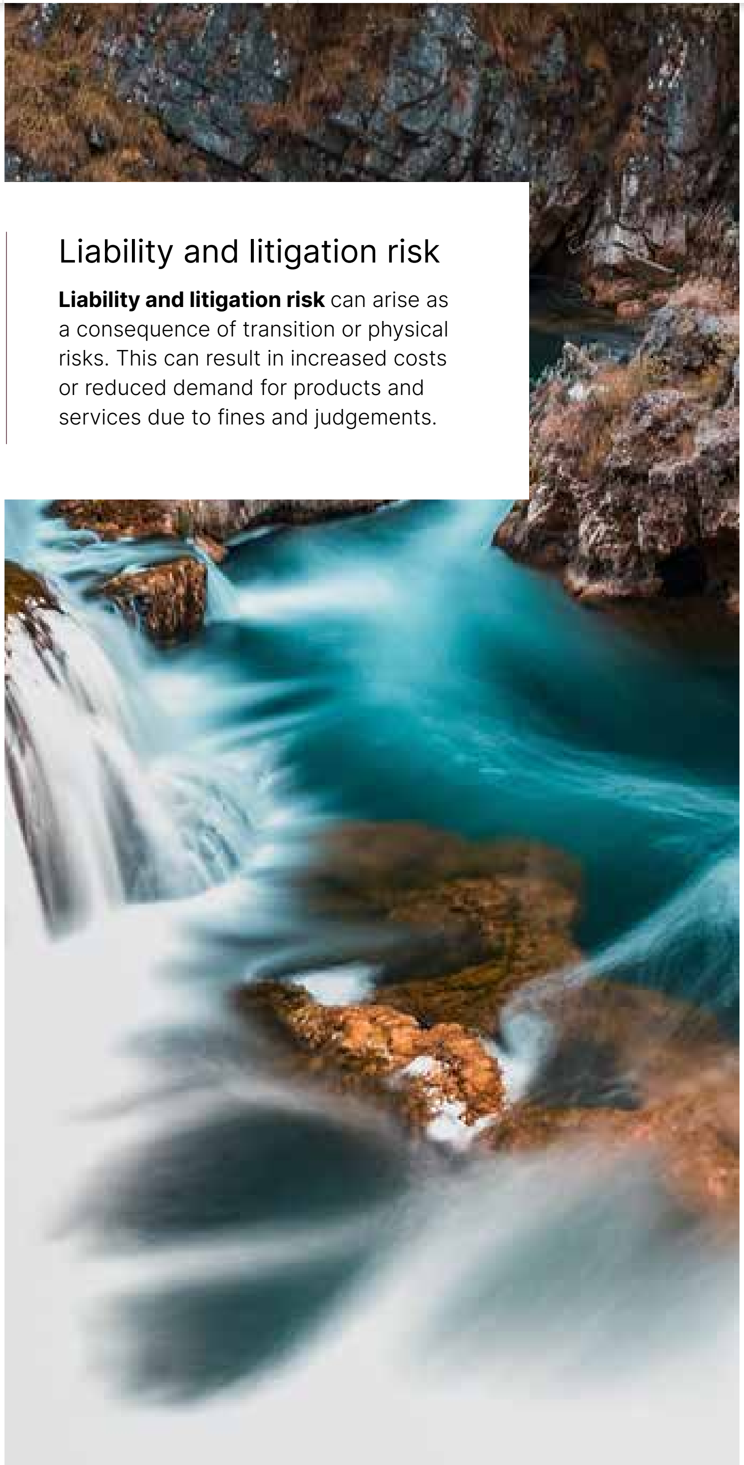
Physical climate risk can arise due to specific weather events or longer-term climate shifts that may have a direct financial impact, such as property damage leading to impaired asset value and sovereign risk. Indirect financial impacts may be caused by supply chain disruption. It is understood that changes in physical risks, such as droughts, floods and hurricanes, are going to be experienced in different levels of severity across the globe, with existing hazards increasing in intensity in some regions and with other regions becoming subject to hazards not previously experienced.

Within Investec Limited and Investec plc we have evaluated physical risks within our most material asset class, being real estate, against various physical climate scenarios using three Shared Socio-economic Pathways (SSPs). We have also used these pathways to evaluate the potential physical risk we may have within our operations. These pathways and outcomes are explained in more detail on pages 88 to 95. We have evaluated physical risks relating to precipitation and maximum temperatures up to 2100, however due to the short- to medium-term lifetime of our assets, the results shown in this report relate only to physical risk exposures up to 2040.

This extensive analysis of our real estate asset class revealed potential sensitivities of the Investec property portfolio to different risks such as floods, drought, and wildfires. We have initiated a project that will use these sensitivity outcomes to stress collateral values considering stresses to loan to value (LTV) that can be translated into loss given default (LGD) stresses.

Liability and litigation risk

Liability and litigation risk can arise as a consequence of transition or physical risks. This can result in increased costs or reduced demand for products and services due to fines and judgements.

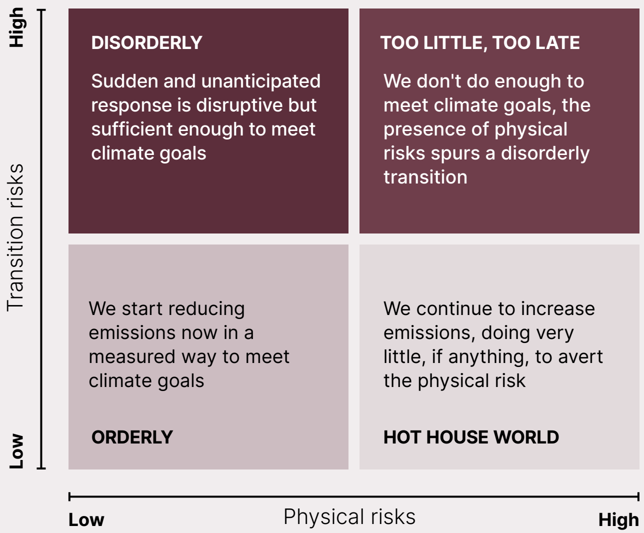


Sensitivities in our loan book and the interplay of transition and physical risk

There is a delicate interplay between the physical and transition risks. Balancing these risks to prevent the worst physical impacts whilst protecting livelihoods means that we strive for a Just Transition.

A Just Transition can be explained by using the Network for Greening the Financial System (NGFS) scenario framework. Strong action to reduce emissions and limit climate change may prevent the worst physical impacts of climate change but presents significant market, technology, and regulatory transition risks for market participants. On the other hand, failure to appropriately reduce greenhouse gas emissions may limit transition risks but will result in increasing climate change and associated physical risks. NGFS scenario's are explained below:

NGFS SCENARIOS FRAMEWORK



The NGFS frameworks uses Shared Socio-economic Pathways (SSPs) as key background assumptions in their climate scenarios. Each SSP provides detailed narratives on what technological advancement, international co-operation, and resource use may look like. NGFS uses SSP2 scenario's which is based on 'middle of the road' assumptions. SSP2 assumes that global population growth remains moderate before leveling off in the second half of the century and that GDP grows in line with historical trends.

We are actively seeking to implement component parts of the stress testing requirements from international organisations such as the Bank of England stress test, the European Central Bank stress test, and the recently published scenarios by the NGFS. Developments in these areas will help us to inform our approach for internal transition risk stress testing.

Investec Bank Limited completed the compulsory climate stress scenario of the 2021 SARB Common Scenario Stress Test (CSST). The SARB climate risk scenario prescribed a severe drought that was translated into economic impacts, that were then used to calculate stressed probability of defaults' (PDs) and loss given defaults (LGDs). The impacts of droughts are wide reaching, with both direct and indirect economic impacts. As a result we considered a wide range of sectors, some of which will be directly impacted such as agriculture, and other that may be more indirectly impacted such as tourism. Under this scenario it was demonstrated that:

> Investec Bank Limited has sufficient capital and liquidity to continue as a going concern and meet regulatory minimum capital and liquidity requirements.

In addition, a project was initiated to formulate climate scenarios guided but not limited by the NGFS scenario framework. Different scenario paths are based on how quickly net-zero CO_2 emissions can be reached. It is envisaged that three climate scenarios will be considered:

- **Early action:** Can be either orderly or disorderly, with transition risk managed more carefully under an orderly scenario, resulting in less severe physical risks.
- **Late action:** Implies that climate policies are only implemented in 10 years' time or more, meaning that a transition to net-zero must be expedited, leading to higher transition risk but less severe physical risks.
- **Hot house world:** This assumes no additional climate policies are introduced, and that only the current policies are implemented, leading to high physical risks and irreversible changes like higher sea levels.

Once the climate scenario narrative have been formulated, it will be translated into impacts on the macro-economic environment. The scenario probability of default (PD) and loss given default (LGD) can be derived from the macro-economic variables, which in turn can be used to derive expected credit losses, which would be helpful to identify portfolio sensitivities.

Investec plc performed climate scenario analysis in line with the requirements stipulated by Supervisory Statement SS3/19 'Enhancing banks' and insurers' approaches to managing the financials risks from climate change', on a proportionate basis for the size and complexity of the firm. The Bank of England's '2021 Climate Biennial Exploratory Scenario' has been used as the framework for scenario analysis, with initial focus on climate transition risk and physical risks prioritised for the second half of 2022. To date, findings indicate that:

> Short-term transition risk is low and Investec plc has sufficient capital and liquidity to continue as a going concern and meet regulatory capital and liquidity requirements.

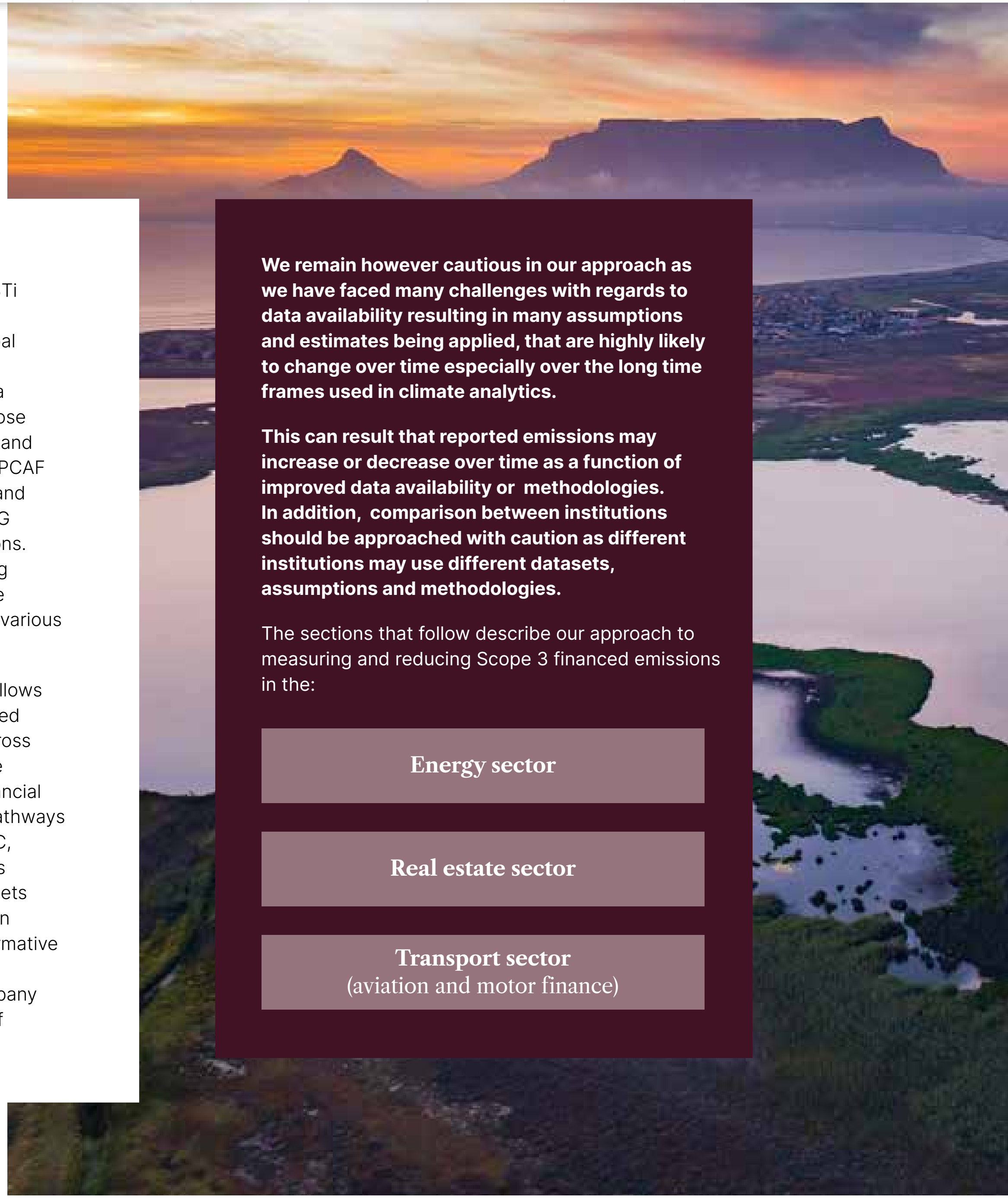
Steering our portfolio towards net-zero pathways

The above scenario analysis will give us an indication of the transition and physical risk sensitivities in our loan book, allowing us to make more informed, risk conscious decisions as we steer our portfolio towards a net-zero world. To further improve our future decision making capacities, we have applied forward-looking pathways to sectors to which we have material exposure. We used PCAF to calculate our financed emissions that were then used as inputs into two primary methodologies for suggested future pathways, being the Paris Agreement Capital Transition Assessment (PACTA) and Science Based Targets Initiative (SBTi).

For our energy generation portfolios in Investec Limited and Investec plc, we have used the PACTA for Banks methodology that allows us to set carbon reduction targets and conduct climate scenario analyses on this portfolio, relying on absolute production (for power, automotive, coal, oil and gas) and emission intensity. It consists of three core components: physical asset-level data, financial exposures, and climate scenarios, and relies on an assessment of the physical assets linked to financial assets as well as the alignment of these assets to climate scenarios.

For real estate, aviation, and motor vehicle finance within Investec Limited and Investec plc we used the PCAF methodology to provide the emissions as a starting point required to set science-based targets using the SBTi methodology and align our portfolio with the Paris Agreement goals. PCAF is a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with loans and investments, i.e., the financed emissions. PCAF enables transparency and accountability and has developed an open-source global GHG accounting standard for financial institutions. The Global GHG Accounting and Reporting Standard for the Financial Industry, ensure consistent calculation approaches across various asset classes and organisations.

PACTA for Banks methodology and SBTi allows us to measure the alignment of our financed emissions to various climate scenarios across a set of key climate-sensitive sectors. The main goal is to foster the alignment of financial markets and the economy, to reduction pathways for limiting global temperature rise to 1.5°C, or well-below 2°C, as outlined by the Paris Agreement. Both PACTA and SBTi set targets using benchmark divergence models (at an individual company level, constructing normative benchmarks from forward-looking climate scenarios and comparing forecasted company performance against them i.e. deviation of portfolio from a target or benchmark).



We remain however cautious in our approach as we have faced many challenges with regards to data availability resulting in many assumptions and estimates being applied, that are highly likely to change over time especially over the long time frames used in climate analytics.

This can result that reported emissions may increase or decrease over time as a function of improved data availability or methodologies. In addition, comparison between institutions should be approached with caution as different institutions may use different datasets, assumptions and methodologies.

The sections that follow describe our approach to measuring and reducing Scope 3 financed emissions in the:

Energy sector

Real estate sector

Transport sector
(aviation and motor finance)

Energy sector outlook

Global sector outlook

An important aspect of our approach is a deliberate focus on financing infrastructure solutions that promote renewable and clean energy, stimulate economic growth, and provide access to essential services. A transition away from fossil fuels needs to occur in a just and orderly way, while at the same time protecting the socio-economic considerations, especially in the developing economies where we have a presence.

Across many countries worldwide, there is a recognition that the world must move towards decarbonisation to limit the impacts of climate change. Many of the world's advanced economies have already started the process of decarbonising their economies and renewable sources of energy has rapidly increased. For advanced economies, with more robust infrastructure, the move to greener energy solutions is expected to be faster than developing countries.

South Africa sector outlook

South Africa is highly dependent on coal for its energy requirements, and to achieve a net-zero target by 2050, the country will likely need to make a phased transition away from coal.

South Africa needs to transition its electricity power system from a coal dominated one towards a path to net-zero by 2050. The power system is on the cusp of huge and rapid change, with estimations of the total cost of the transition for the country during the coming three decades at being over R2 trillion. International support, for example the announcement after COP26 of the $8.5bn funding package from a group of countries like the EU, UK and US are important catalytic opportunities for South Africa but ultimately it is going to be domestic investors and especially domestic banks that will have to take up most of the transition.

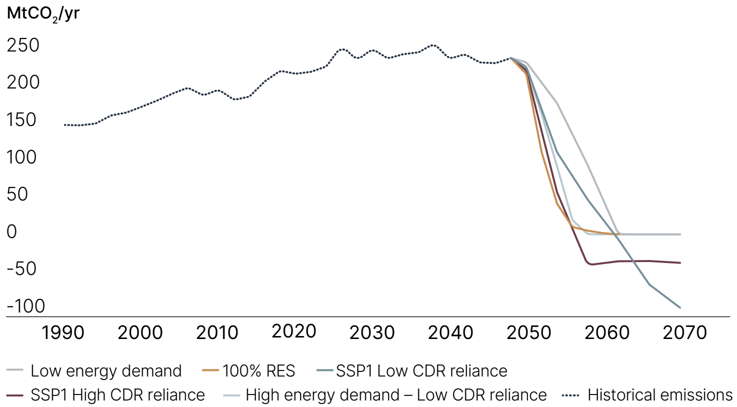
The power system, in addition to being coal dominated, is currently also not designed for the transmission requirements of the future nor the necessary auxiliary technologies like battery storage, both of which will be required to allow a move to the future. This future will be dominated by photovoltaic (PV) and wind power produced at massive utility scale and delivered to Eskom, produced onsite or wheeled across the grid for corporate buyers or smaller rooftop power for Small, Medium and Micro Enterprises (SMMEs) and households. Eskom has already said that most of this new capacity will have to come from the private sector while it concentrates on building some 8 000km of new transmission grids and their associated substations.

The 100MW new higher limit for licensing of self- and wheeled-generation for corporates during 2021 was a prime example of where huge opportunities for a shift to more corporate power projects became possible but where the hard work is still ongoing to ensure that the regulator, Eskom and other parts of government can come together with banks to actually realise such projects.

While the path to net-zero is clearly necessary, the challenge of finding a balance between the need for increasing energy access and economic growth could mean that progress for South Africa is slow.

Energy efficiency in South Africa: The national energy efficiency strategy was passed into law in March 2019. Improving energy efficiency is a strategic priority in both the National Development Plan 2030 and South Africa's Intended Nationally Determined Contribution (INDC) under the UN Framework on Climate Change. The government of South Africa through the Department of Energy (DoE) released the first National Energy Efficiency Strategy (NEES) in 2005. This strategy aimed to respond to the increasing demand for energy alongside a growing commitment to improving resource use and reducing South Africa's national environmental footprint.

South Africa's power sector emissions and carbon intensity



Source: https://climateactiontracker.org/ and http://1p5ndc-pathways.climateanalytics.org/ and https://www.ipcc.ch/sr15/

The graph above is based on 5 IPCC pathways for South Africa to suggest technology mixes to fully decarbonise the power sector. Ideally the carbon intensity of power productions needs to reach zero by 2035 and negative emissions contributions thereafter. Therefore:

- the SSP1 High Carbon Dioxide Removal (CDR) reliance scenario would be the most ambitious pathway which relies on technological developments in the sector and comparatively low carbon dioxide (CO_2) prices
- the quickest decarbonisation pathway would be a global 100% Renewable Energy System (RES) that uses locally available renewables (as per macro region) relying on a cost-optimal mix of technologies
- a change in energy demand and/or low reliance in CDR technologies would not suffice in reaching the necessary Paris Agreement goals.

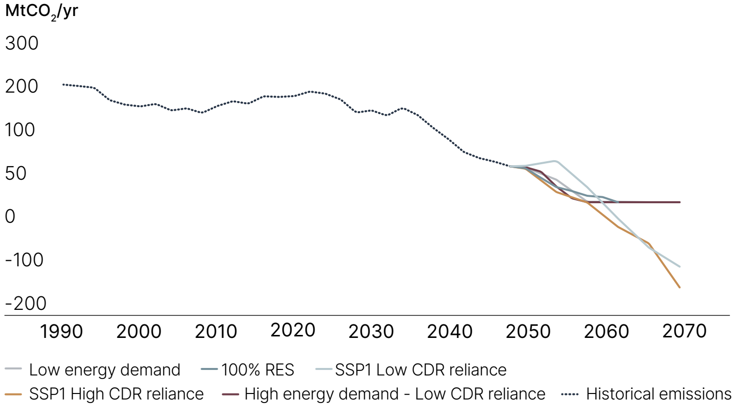
UK and Europe sector outlook

The direction of travel across Europe is towards climate neutrality by 2050, with the European Commission (EC) having a net-zero goal, and the UK a legislated target. Interim targets along the longer-term pathway exist with the European Union (EUs) Fit for 55 package of seeking to reduce net GHG emissions by at least 55% compared to 1990 levels, and the UK's commitment to a fully decarbonised electricity system by 2035.

The Fit for 55 package comprises many component parts, one of which is energy. Targets include increasing the share of renewables in the EU energy mix to 40% in 2030 (vs. 19.7% in 2019), increasing electrification, tougher targets for energy efficiency, and reinforced sustainable bioenergy criteria. In the UK, existing ambitions include 40GW of offshore wind by 2030.

The crisis in the Ukraine, however, has pushed energy independence into the spotlight, and solving the energy trilemma of security of supply, decarbonisation, and cost is once again firmly in the spotlight. In March 2022, the EC set out REPowerEU, a set of measures with a focus on retail prices, refilling gas storage, and cutting dependence on Russian gas. The latter encompasses more rooftop solar, heat pumps and energy savings, as well as speeding up renewables, diversifying gas supplies, decarbonising industry, a hydrogen accelerator, and a doubling of the 2030 biomethane ambition. In the UK, an energy security strategy is expected imminently from the UK government, and a push for more renewables and nuclear are likely to be key cornerstones.

The UKs power sector emissions and carbon intensity



Source: https://climateactiontracker.org/ and http://1p5ndc-pathways.climateanalytics.org/ and https://www.ipcc.ch/sr15/

The graph from the IPCC pathways indicates, that the UK does not require negative emission technologies to fully decarbonise the power sector.

- With a rapid reduction of unabated fossil fuel sources an increase rate of uptake in renewables would be sufficient to reach net-zero emissions by 2040
- Pathways with slower renewables uptake will require the deployment of Carbon Dioxide Removal (CDR) technologies at scale between 2040 and 2050.

Technical notes on overall emission calculation methods used and rationale within Investec Limited and Investec plc energy generation portfolio

The PACTA methodology was used for calculating the financed emissions for our energy generation portfolio.

Challenges in data and methodologies within Investec Limited and Investec plc

The key challenges experienced during our emission calculations for energy portfolio was the lack of precise individual physical asset-level data of the portfolio company, this included limitations on:

- Production, capacity or emissions pathway
- Five-year mapping for the existing asset-level data

In addition, the amortisation of loans is not incorporated into the methodology and the methodology determines the power sector outputs primarily on electricity generation capacity. We found that pathways for financed emissions are only defined when they have been adapted with limited sector and segment scope because the decarbonisation focuses on specific defined segments. Different levels of climate ambitions can be deduced based on different interpretations.

The transition risk tool is limited to 2°C scenarios and limited to operational exposure and sensitivity with a quantitative output, that only considers the facility and firm of the counterparties (based on the TCFD transition risk impact assessment). There is however, no standardised portfolio data source and incomplete portfolio data that require further research.

PACTA methodology

PACTA allows users to calculate and measure the alignment of their financed emissions to various climate scenarios across a set of key climate-sensitive sectors. The main goal is to foster the alignment of financial markets and the real economy with reduction pathways for limiting global temperature rise to 1.5°C or well-below 2°C as outlined by the Paris Agreement goals. PACTA sets targets using benchmark divergence models (at an individual company level, constructing normative benchmarks from forward-looking climate scenarios and comparing forecasted company performance against them i.e. deviation of portfolio from a target or benchmark). PACTA is used to set carbon reduction targets for both Investec Limited and Investec plc's energy generation portfolio, relying on absolute production (for power, automotive, coal, oil and gas).

PACTA is a free, open-source climate analysis tool designed for use by financial institutions and allows users to perform climate scenario analysis on corporate lending portfolios. PACTA was developed by 2° Investing Initiative (2DII) to assist banks in performing climate scenario analysis on their portfolios. PACTA consists of three core components:

Physical asset-level data (ALD)	**Financial exposures**	**Climate scenarios**

PACTA relies on an assessment of physical assets linked to financial assets and the alignment of these assets with climate scenarios. PACTA includes sectors considered to be the most climate-critical in terms of CO_2 emissions. Within these sectors, the scope is circumscribed such as to only include the segment of the value chain:

- that controls the bulk of the impact on the climate system, and
- on which decarbonisation efforts must be concentrated to spur the entire sector to fall into alignment

For the calculation of our emissions, we have used our exposures for:

- upstream oil and gas
- coal mining
- power generation.

The application of PACTA thus depends on the identification of the loans associated with each sector and then the asset-level data (ALD) underpinning it. We have used NACE codes (as recommended by PACTA) to identify the sector of our exposures. We mapped our assets to the respective physical assets in the PACTA toolkit. Alignment results are given at the level of each sector (and technology level within those sectors). After alignment was achieved, we analysed the output of the results produced by PACTA. It has to be noted that PACTA only contains forward looking transition plans up to 2025 as seen in the graphs on pages 63 and 65.

PACTA scenario

The PACTA methodology assumes that decarbonisation efforts are equally distributed amongst companies depending on the market share of the company within the sector, a 10% market share means having to contribute 10% of decarbonisation efforts. In other words, companies are expected to provide the same proportion of efforts relative to their size, and regardless of their initial starting point. In the methodology, companies are prescribed custom targets that are calculated using the same required rate of change. Assigning companies targets under the form of industry-wide required change guarantees that the methodology keeps market shares constant.

For the estimated pathways for our energy generation within Investec Limited and Investec plc, we have used the beyond 2-degree scenario (b2ds).

Steering our portfolio

Steering our energy lending portfolio in **Investec Limited**

Within our lending activities in the energy sector, we use the PACTA methodology as previously explained to guide our steering towards the Paris Agreement goals. The sectors that are in scope of this methodology are upstream oil and gas, coal mining and power generation.

100%

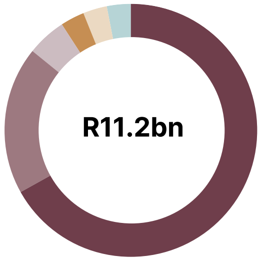
of our power generation portfolio within Investec Limited was covered which consist of

37

exposures with a **total portfolio size** of

R11.2bn

Distribution of portfolio



	2021 baseline
Solar	67%
Gas	19%
Gas turbines	5%
Wind energy	3%
Waste to energy	3%
Thermal energy	3%

The power sector targets for the Investec Limited portfolio were set using the following inputs:

South Africa: the region for plants located within South Africa

Global: the region for plants located outside South Africa

The beyond 2-degree scenario (b2ds) from the Energy Technology Perspectives 2017 (etp_2017) scenario

Emission intensity	2021	2025	2030	2035	2040	2045	2050
$kgCO_2e/MWh$							
Benchmark/target	**431**	398	347	312	279	254	223
Investec Limited	**441**	441	–	–	–	–	–

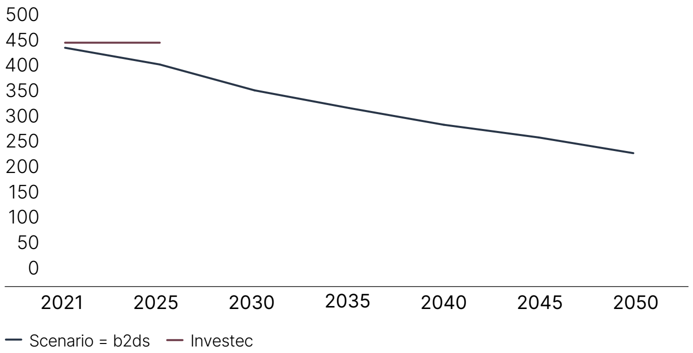
Absolute emissions	2021	2025	2030	2035	2040	2045	2050
$kgCO_2e/MWh$							
Benchmark/target	**348**	377	400	411	408	420	399
Investec Limited	**341**	341	–	–	–	–	–

These targets are a combination of targets set separately for power plants located in South Africa and power plants located outside of South Africa.

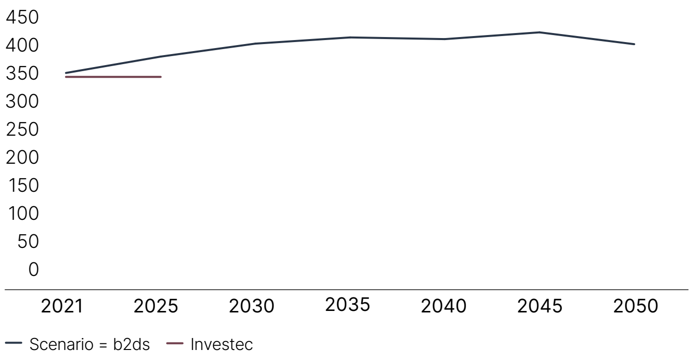
Resilience of our climate risk strategy continued

Excluding loan maturity

Emission intensity
kgCO₂e/MWh



Absolute emission
tCO₂e



The graphs on the left indicate that the emissions intensity and absolute emissions within the Investec Limited energy portfolio are predicted to remain the same towards 2025. However, the b2ds requires that the emissions intensity decrease by 15% and increase the absolute emissions by 11%, due to a predicted uptake by PACTA in more gas power generation alternatives.

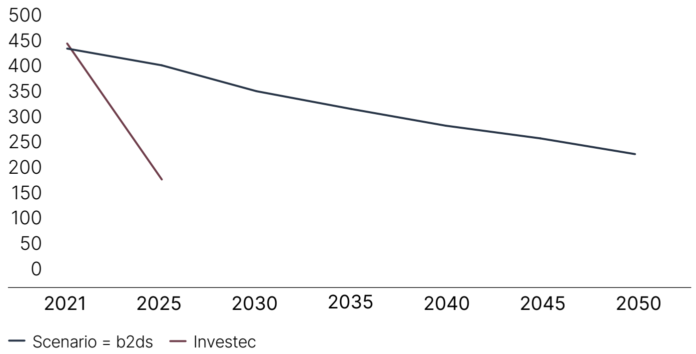
Emission intensity: Typically, power generation portfolios will include a mix of coal, oil, gas and renewables. This mix will result in overall absolute emissions decreasing in the b2ds scenario as absolute emissions from coal and oil decrease sharply. As there are no coal and oil power generation in the Investec Limited portfolio, emission intensity remains the same up to 2025.

Absolute emissions: The increasing absolute emissions in the b2ds scenario observed are due to the expected increase from the PACTA b2ds scenario that investment in gas power generation will increase in most climate scenario's before it decreases. As there are no coal and oil power generation in the Investec Limited portfolio, absolute emissions remain the same up to 2025.

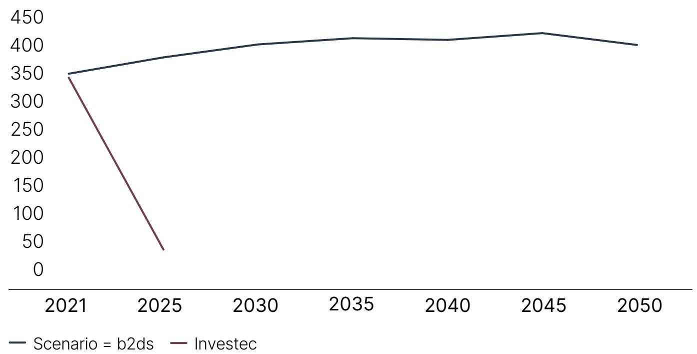
The graphs on the right have been constructed using our current loan maturity of our exposures. It is clear that our emission intensity and absolute emissions would decline as the book matures, however this excludes any additional investment made into the power sector. As such, the loan maturity graphs should be seen as hypothetical only.

Including loan maturity

Emission intensity
kgCO₂e/MWh



Absolute emission
tCO₂e



Reasonability test and mitigation actions

It is evident from the graphs before the loan maturity is applied that there is a lack of transition plans within the South African power generation industries. Unless there is pressure from investors or policy, the trajectory will not be in line with the Paris Agreement goals.

Looking ahead

Over the short term: We have a comprehensive fossil fuel policy and minimal exposures to thermal coal across the value chain. Stringent due diligence is applied when reviewing thermal coal transactions with sign off required from the most senior executive forum.

Refer to our Group fossil fuel policy on our **website here**

Over the medium to long term: We will focus on minimising fossil fuel exposures where possible but are taking a cautious approach due to the needs and current dependency of South Africa on fossil fuels. Where possible we will manage this exposure against our stringent fossil fuel policy while taking the socio-economic factors and the country’s ambitions towards a net-zero future into consideration. Where opportunities exist, we will focus on financing infrastructure solutions that promote renewable and clean energy as we leverage our international expertise in this sector.

Resilience of our climate risk strategy continued

Steering our energy lending portfolio exposure in **Investec plc**

Within our lending activities in the energy sector, we use the PACTA methodology as previously explained to guide our steering towards the Paris Agreement goals. The sectors that are in scope of this methodology are upstream oil and gas, coal mining and power generation.

72.1%

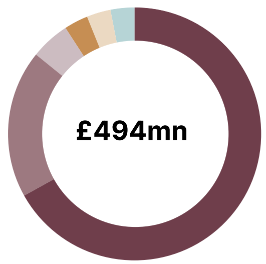
of our power generation portfolio within Investec plc was covered which consist of

83

exposures with **total portfolio size** of

£494mn

Distribution of portfolio



	2021 baseline
Solar	67%
Gas	19%
Gas turbines	5%
Wind energy	3%
Waste to energy	3%
Thermal energy	3%

Targets set for the Investec plc portfolio, according to:

OECD as the region

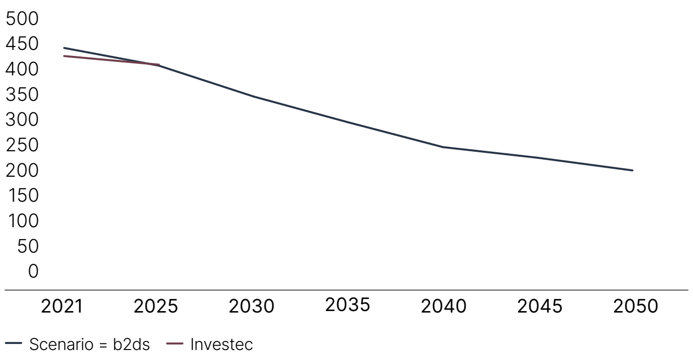
The beyond 2-degree scenario (b2ds) from the Energy Technology Perspectives 2017 (etp_2017) scenario set

Emission intensity	2021	2025	2030	2035	2040	2045	2050
$kgCO_2e/MWh$							
Benchmark/target	**437**	402	341	290	241	220	195
Investec plc	**421**	404	–	–	–	–	–

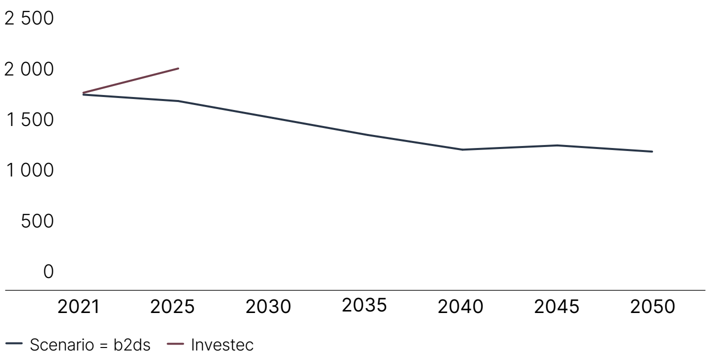
Absolute emissions	2021	2025	2030	2035	2040	2045	2050
$kgCO_2e/MWh$							
Benchmark/target	**1 765**	1 702	1 535	1 367	1 222	1 264	1 203
Investec plc	**1 784**	2 023	–	–	–	–	–

Excluding loan maturity

Emission intensity
kgCO$_2$e/MWh



Absolute emission
tCO$_2$e



The graphs on the left show the Investec plc power generation portfolio compared with the OECD market in the b2ds pathway.

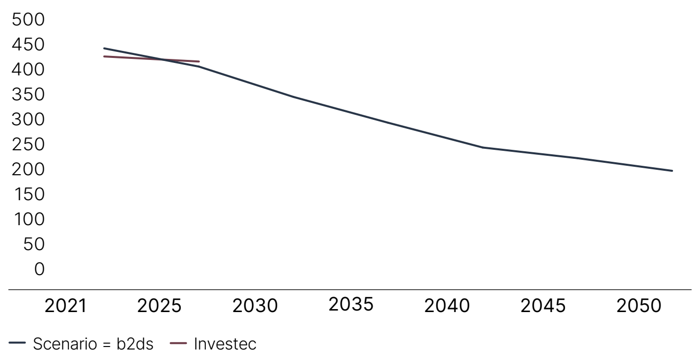
Emission intensity: The b2ds scenario indicates that a reduction of 5% in emission intensity is required. The Investec plc portfolio is in line with this suggested reduction.

Absolute emissions: The b2d scenario indicates that absolute emissions should reduce by 7% by 2025. The Investec plc portfolio projection indicates a 13% increase. Typically portfolio's have a mix of coal, oil and gas power generation and a reduction in absolute emissions is expected due to the reduction in coal power generation. Due to the limited coal exposure in the Investec plc portfolio, this reduction is not projected and an absolute emission increase of 13% by 2025 is expected.

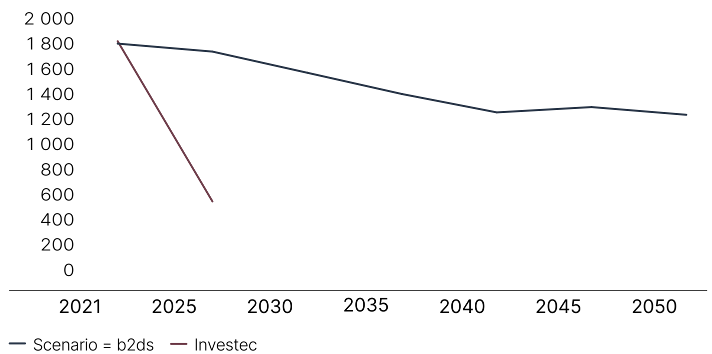
The graphs on the right have been constructed using our current loan maturity of our exposures. It is clear that our emission intensity and absolute emission are is on track to meet the Paris Agreement goals. However this excludes any additional investment made into the power sector, therefore the loan maturity graphs should be seen as hypothetical only.

Including loan maturity

Emission intensity
kgCO$_2$e/MWh



Absolute emission
tCO$_2$e



Reasonability test and mitigation actions

Within the UK there are strong net-zero commitments that act as a lever of change to shift towards a low carbon economy. The pathway suggested by PACTA is within reasonable expectations. Investec plc has also committed to zero coal exposures in the next three to five years which will put us in line to achieve the Paris Agreement goals.

Looking ahead

Over the short term: 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.

Over the medium to long term: We have a deliberate intention to exit coal in the next three to five years. We will focus on minimising fossil fuel exposures where possible. We may see an increase in these exposures as we transition to a zero-carbon world. Where opportunities exist, we focus on financing infrastructure solutions that promote renewable and clean energy, as we leverage our international expertise in this sector.

Real estate sector outlook

Global sector outlook

The real estate industry has an integral role in achieving emission reductions and the corresponding climate change goals contained in the 2015 Paris Agreement, particularly as buildings account for over a third of global energy consumption, and approximately two-fifths of direct and indirect CO_2 emissions.

The sector is fast 'waking up' to this responsibility and the focus on sustainability for lenders and investors alike, across all real estate asset classes, has increased immeasurably over the last few years. Sustainability and climate-related (including ESG) related goals have rapidly become a strategic priority for real estate industry participants, both from the perspective of assessing the environmental status of existing buildings as well as the proposed credentials of refurbishment projects or the ground-up construction of new developments. Lenders are recognising the value of energy efficient and sustainable assets, not only from a balance sheet management perspective but also through their social responsibility charters and commitments. Investors too, are realising that the long-term environmental impact of their real estate is relevant not only to meet changing energy standards but also on the long-term value of their properties. This is particularly pertinent given the increasing emphasis placed by the industry on reducing operational costs, which is often manifested through enhanced energy efficiency or the achievement of net-zero carbon targets.

South Africa sector outlook

In South Africa, the residential real estate market is expected to grow at a Compound Annual Growth Rate (CAGR) of greater than 9% during the forecast period (2022-2027)[1]. Climate-related and sustainability (including ESG) considerations in the real estate industry in South Africa continues to gain momentum, as indicated by stakeholder pressures.

Within commercial real estate, the National Energy efficiency strategy (NEES) was passed into law in March 2019 with the goal to accelerate the current rate of improvement in the energy consumption per square metre of lettable or inhabited floor space. The proposed target for the commercial buildings sector is a 37% reduction in the specific energy of lettable or habitable floor area. The regulations for the mandatory display of Energy Performance Certificates (EPCs) in South Africa is expected to promote energy efficiency awareness as well as the improvement of building energy performance. EPCs rate buildings from A to G, with A being the most energy efficient and G the worst. To be compliant, the EPC must be displayed at the building entrance. A D-rating would typically indicate basic compliance with the energy efficiency component of the national building regulations.

We are expecting green regulations for buildings to intensify, mirroring the regulations that we have seen internationally. We welcome stronger policy on energy-efficient and green buildings, to help transition towards a cleaner South African real estate sector. The ongoing electricity challenges and potential risk of water supply disruptions remains of critical concern for South African real estate, and could result in the need to find alternative sustainable solutions for property owners across the various real estate sectors.

1. https://www.mordorintelligence.com/industry-reports/residential-real-estate-market-in-south-africa

Within the residential/household sector the National Development Plan (NDP) emphasises the need to ensure that growth in household numbers is accompanied by improved living standards and reductions in energy poverty and income inequality. Consequently, we will see a significant increase in the rate of ownership of household appliances, with many households acquiring a range of appliances for the first time.

The two main themes of the package of policy measures for the residential sector are to:

transform the market for household appliances in favour of more energy efficient models. Mandatory labelling is already in place and Minimum Energy Performance Standards (MEPS) have been introduced, or are proposed, for most of the major categories of appliance

substantially reduce the average specific energy consumption of residential buildings. Continuous improvement in the energy efficiency of new homes will be pushed by means of successive tightening of building standards.

The following targets have been proposed by the National Climate Change Response Policy White Paper (NCCRP):

33% reduction in the average specific energy consumption of new household appliances purchased in South Africa by 2030, relative to a 2015 baseline

20% improvement in the average energy performance of the residential building stock by 2030, relative to a 2015 baseline, as measured by the energy consumption per square meter.

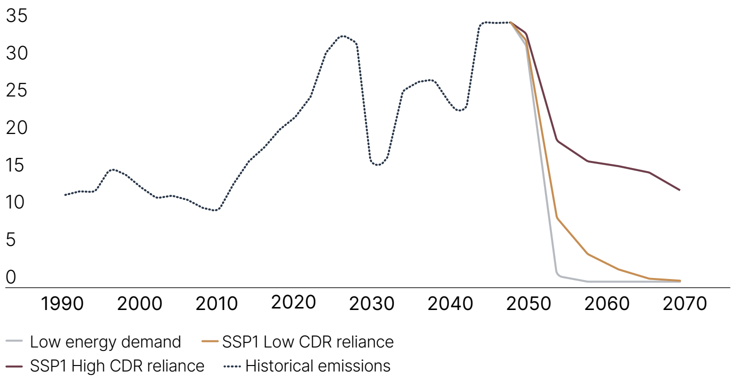
According to the International Energy Agency (IEA), strengthening energy management systems and standards for appliances (especially for cooling) will allow South Africa to obtain the projected energy savings.

South Africa sector outlook continued

The graph below shows the building sector emission pathways for South Africa under the following scenarios:

Low energy demand	SSP1 low Carbon Dioxide Removal (CDR) reliance	SSP1 high Carbon Dioxide Removal (CDR) reliance

South Africa's buildings sector direct CO_2 emissions (of energy demands)



Source: https://climateactiontracker.org/ and http://1p5ndc-pathways.climateanalytics.org/ and https://www.ipcc.ch/sr15/

The graph from the IPCC pathways indicates, that the upscaling of renewable electrification would be sufficient enough to achieve zero emissions within the sector between the desired timeframe of 2030 – 2040. The graph shows that solely relying on CDR technologies would not be sufficient and having high comparative CO_2 prices would have a more ambitious pathway to zero emissions.

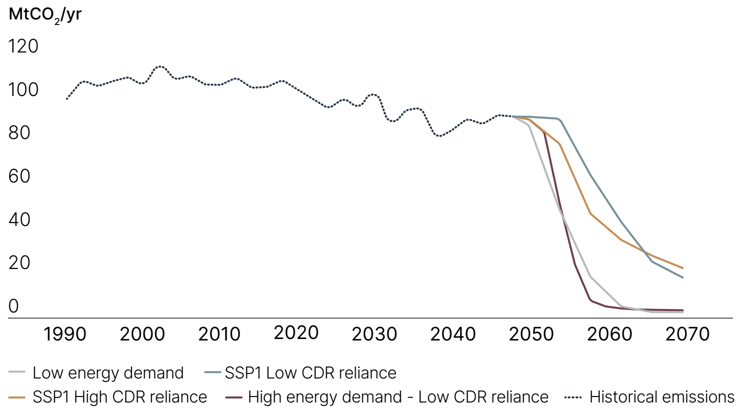
"The promotion of ESG initiatives is a key strategic priority for Investec UK Real Estate. These considerations are increasingly at the forefront of our clients' thoughts as they seek to futureproof existing property assets within their portfolios, or consider how new build developments can be designed and constructed in the most efficient and environmentally conscious manner. Investec UK Real Estate are passionate about supporting our clients to achieve these objectives and will continue to enhance the sophistication of our finance offering in this space."

Thomas Griffiths,
Portfolio Manager, Real Estate Finance

UK and Europe sector outlook

In the UK, while climate-related and sustainability (including ESG) considerations in the real estate industry have grown in prominence in recent years, the sector has yet to reach an agreement on a market standard set of criteria with which to assess a building's climate-related and sustainability (including ESG) credentials. Investec UK Real Estate continues to see a number of environmental and energy-enhancing initiatives as part of client refurbishment and development appraisals. These include BREEAM certifications ranging from very good to outstanding, EPC ratings of either A or B, buildings that conform to net-zero carbon emissions standards, and other building efficiencies such as the use of heat pump technology and the installation of solar panels.

The UKs buildings sector direct CO_2 emissions (of energy demands)



Source: https://climateactiontracker.org/ and http://1p5ndc-pathways.climateanalytics.org/ and https://www.ipcc.ch/sr15/

The graph from the IPCC pathways indicates, that there is a clear indication that the use of CDR technologies is not the pathway to consider within this sector. Focusing on buildings' energy efficiencies, a high uptake in renewables and CO_2 pricing, lead to more ambitious pathways to zero emissions. CDR technologies do not reach zero emissions. Only direct CO_2 emissions are considered in these pathways.

Technical notes on overall emission calculation methods used and rationale within Investec Limited and Investec plc real estate portfolios

The PCAF methodology was used for calculating the financed emissions for the commercial real estate (CRE) and mortgages asset classes.

Challenges in data and methodologies within Investec Limited and Investec plc

In South Africa, a key challenge experienced during our target setting for the real estate portfolio was the lack of actual energy consumption data and floor area for each asset. These, however, were overcome by using published sectoral guidelines and location-specific statistical data to derive certain key assumptions and approaches that underpin our science-based targets. These assumptions have been detailed in this report.

The urgent and emerging need to set science-based targets within financial institutions makes clear and apparent the data challenges and limitations that exist in terms of sectoral climate-related data. There is a need to strengthen data collection and availability efforts to improve the quality and consistency of data available for sectoral science-based targets. However, this can only be achieved as more sector specific regulations are introduced to standardise approaches for setting science-based targets.

Government and local municipalities play a pivotal role in driving this shift to introduce data policies that make available actual and most recent energy consumption data, to form the basis of consistent sectoral science-based targets for financial institutions and the wider private sector. Consideration should also be given to increase research and development spending at tertiary institutions in South Africa to collect, track and publish more recent and relevant sectoral guidelines and statistical data that can assist in the net-zero journey.

In the UK, similarly, there are key challenges around data availability. The best data to calculate the financed emissions using the PCAF methodology requires the actual energy consumption of buildings and specific supplier emission factors. This information is not currently available, as such we relied on estimating these using statistical data. Similarly for the floor area of buildings or the number of buildings in a portfolio, there is a lack of data availability and we had to base our calculations on assumptions. One of the key recommendations of PCAF is to use EPC data for the real estate book where available. Going forward we will collect this information. There are also several challenges around the methodology and practically interpreting the methodology. Although PCAF has been extremely valuable in providing guidance and access to the European building emission factor database, we can benefit from building a stronger coalition throughout the UK banking sector to discuss challenges and solutions and provide industry best practice.

At Investec, our efforts to setting these science-based targets has highlighted the need for us to initiate the collection of quality and reliable climate-related data from our clients. We recognise the effort required and are taking steps to improve our data collection processes.

PCAF methodology for commercial real estate asset classes

PCAF defines the commercial real estate (CRE) asset class as on-balance sheet loans for specific corporate purposes, namely the purchase and refinance of CRE, and on-balance sheet investments in CRE. This definition implies that the property is used for commercial purposes, such as retail, hotels, office space, industrial or large family rentals. In all cases, the building owner or investor leases the property to tenants to conduct income-generating activities.

Attributions of emissions: When calculating the financed emissions, a building's annual emissions are attributed based on the ratio between the outstanding amount and the property value at origination. This ratio is called the attribution factor.

$$\text{Attribution factor}_b = \frac{\text{Outstanding amount}_b}{\text{Property value at origination}_b}$$

(with b = building)

Equations to calculate financed emissions: Financed emissions of a CRE loan or investment are calculated by multiplying the attribution factor by the building's emissions. Thus, financed emissions are calculated as follows:

$$\text{Financed emissions} = \sum_b \text{Attribution factor}_b \text{ X } \text{Building emissions}_b$$

(with b = building)

The emissions of buildings are calculated as the product of a building's energy consumption and specific emission factors for each source of energy consumed. The total energy use of the building includes the energy consumed by the building's occupants.

$$\text{Financed emissions} = \sum_{b,e} \frac{\text{Outstanding amount}_b}{\text{Property value at origination}_b} \text{ X } \text{Energy consumption}_{b,e} \text{ X } \text{Emission factor}_e$$

(with b = building and e = energy source)

PCAF methodology for mortgages asset classes

PCAF defines mortgages as on-balance sheet loans for specific consumer purposes, namely the purchase and refinance of residential property, including individual homes and multifamily housing with a small number of units. This definition implies that the property is used only for residential purposes and not to conduct income-generating activities.

Attributions of emissions: When calculating financed emissions, a building's annual emissions are attributed to the mortgage provider using a loan-to-value approach. Thus, the attribution is equal to the ratio of the outstanding amount at the time of GHG accounting to the property value at loan origination.

$$\text{Attribution factor}_b = \frac{\text{Outstanding amount}_b}{\text{Property value at origination}_b}$$

(with b = building)

When the property value at origination is not feasible to obtain, financial institutions shall use the latest property value available.

Equations to calculate financed emissions: Financed emissions of mortgages are calculated by multiplying the attribution factor by the building's emissions. Thus, financed emissions are calculated as follows:

$$\text{Financed emissions} = \sum_b \text{Attribution factor}_b \text{ X Building emissions}_b$$

(with b = building)

The emissions of buildings are calculated as the product of a building's energy consumption and specific emission factors for each source of energy consumed. The total energy use of the building includes the energy consumed by the building's occupant. The equation below is the result.

$$\text{Financed emissions} = \sum_{b,e} \frac{\text{Outstanding amount}_b}{\text{Property value at origination}_b} \text{ X Energy consumption}_{b,e} \text{ X Emission factor}_e$$

(with b = building and e = energy source)

Science Based Targets initiative

We have used the Science-based Targets Initiative (SBTi) as a guidance to evaluate targets for absolute and emission intensity reduction paths for CRE and mortgages:

- SBTi measures the alignment of financed emissions to various climate scenarios across a set of key climate-sensitive sectors. The main goal is to foster the alignment of financial markets and the real economy, with reduction pathways for limiting global temperature rise to 1.5°C or well-below 2°C as outlined by the Paris Agreement
- The Sectoral Decarbonisation Approach (SDA) is used for residential mortgages and commercial real estate portfolios. By using this approach, targets are set to align a portfolio's emission intensity with sectoral emission pathways. The carbon intensity for all companies (within the same level of disaggregation) converges towards the same level at a rate that considers the initial carbon intensity of the company and its relative growth. Emission intensity is calculated by dividing the sum of financed emissions by the sum of the allocated activity. SDA estimates emission intensity at portfolio level rather than aggregating individual emission intensities
- The residential mortgages and CRE tool were used for target-setting. Only one scenario is available in the Residential Mortgages and CRE tool. This is the International Energy Agency (IEA) Energy Technology Perspectives (ETP) 2017 beyond 2 degrees scenario (b2ds). This scenario is prepopulated in the tool at a global level
- The target setting tool for buildings available on the SBTi website was used to set targets for the target years 2030, 2035, 2040, 2045 and 2050 respectively. Targets were set for both CRE and residential mortgages
- As the tool produces separate targets for residential and service buildings, we used a weighted approach (weighting relative to the exposure to calculate a single target for commercial real estate).

Steering our real estate portfolio

Steering our commercial real estate portfolio in **Investec Limited**

Data quality score and data required (see Appendix 1 for PCAF data quality scores): PCAF data quality **score 4 was selected and the option 2b was applied.** Data required for this quality score is:

Estimated building energy consumption: The energy consumption per province per building type was obtained from IPD South Africa Annual Green Property Index – Usage Benchmarks

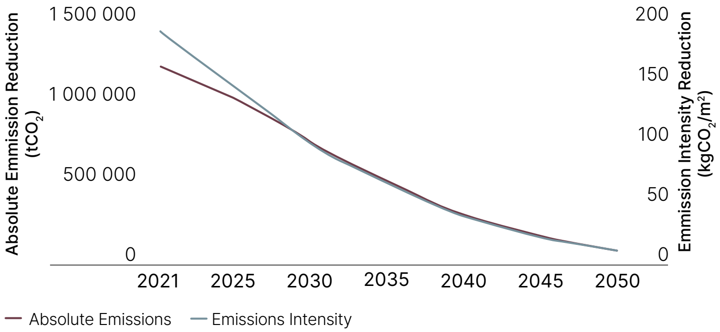
Floor area: The average square meterage was derived from the existing tenant schedule database as at circa April/May 2021 to estimate the Gross Lettable Area (GLA) exposure to the main commercial property segments. The estimated building energy consumption per floor area based on building type and location-specific statistical data and the floor area was available on the data sourced from MSCI based on building type and location-specific statistical data

Emission calculation: Emissions were calculated using estimated building energy consumption and average emission factors specific to the respective energy source. For South Africa the Eskom emission factor of 1.06 was used.

The results of our CRE portfolio within Investec Limited using the SBTi pathway is shown alongside.

% Reduction	Absolute emissions	Emission intensity
2021	**Baseline**	**Baseline**
2025	17.80%	24.42%
2030	41.04%	51.25%
2035	60.11%	69.12%
2040	76.72%	83.12%
2045	90.25%	93.38%
2050	99.19%	99.48%

Reduction targets for Investec Limited's commercial real estate portfolio



Reasonability test and mitigation actions

South Africa's low emission development strategy (LEDS) 2050 indicates energy efficiency goals towards 2050 in the commercial sector to achieve a 37% reduction in specific energy consumption (measured as gigajoule annual energy consumption per m2 of lettable/habitable floor area). These reduction targets are not aligned with the targets suggested by SBTi. Although these suggested target reductions in the South African low emission development strategy are set, there is no policy guidance as to restrictions imposed to improve energy efficiency in commercial real estate. As such, the suggested SBTi targets within the South African context are not achievable. To mitigate the risk, Investec has provided financing for several commercial real estate buildings including the installation of the continent's largest rooftop solar PV plant on the rooftop of Cornubia Mall, KwaZulu-Natal. The implementation of the solar PV rooftop will reduce the electricity consumption from the South African power grid.

Refer to page 51 for more information

Looking ahead

Over the short term: We continue to seek opportunities to partner with our clients in commercial real estate to provide efficient and clean energy solutions. Recently, Investec Structured Property Finance partnered with Balwin Properties by providing funding towards the purchase and redevelopment of their new Head Office located on Corlett Drive, Johannesburg. The building was designed and developed to achieve a 6-Star Green Building rating, which was obtained.

Over the medium to long term: Our aim is to advocate for more stringent policy requirements on energy efficiency within commercial and residential real estate.

Steering our mortgage portfolio in **Investec Limited**

Data quality score and data required (refer to Appendix 1 for PCAF data quality scores): Given the data quality limitations **score 5** approach and data quality **option 3** were used as specified in the PCAF methodology. Estimated building energy consumption per building, based on building type and location specific statistical data, as well as the number of buildings are available. Emissions were calculated using estimated building energy consumption and average emission factors specific to the respective energy source.

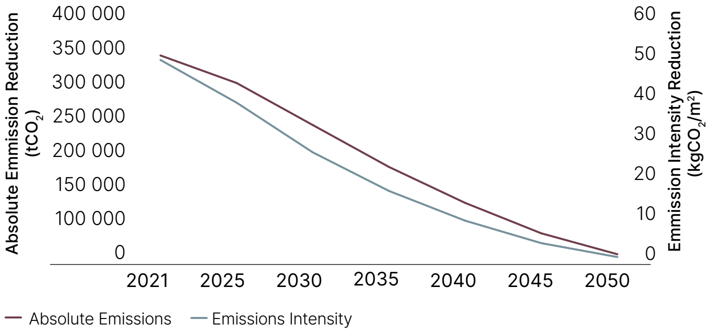
Estimated building energy consumption: Given that Investec's client target base is high-net worth individuals, the average energy consumption per household with 4 people was assumed to be 30KWh daily with no solar. The daily average consumption per household of 30KWh by 365 days of the year, results in 10 950KWh of energy usage per year per average household

Emission calculation: Eskom emissions factor for 2021 is 1.06 and was used for the emissions calculation.

The results of our Mortgage portfolio within Investec Limited using the SBTi pathway is shown alongside.

% Reduction	Absolute emissions	Emission intensity
2021	**Baseline**	**Baseline**
2025	13.51%	21.32%
2030	34.10%	46.12%
2035	54.61%	65.38%
2040	72.22%	80.22%
2045	87.12%	91.44%
2050	97.38%	98.38%

Reduction targets for Investec Limited's mortgages portfolio



Reasonability test and mitigation actions

South Africa's low emission development strategy (LEDS) 2050, indicates energy efficiency goals towards 2050 in the residential sector to achieve a 33% reduction in the average specific energy consumption of new household appliances purchased in South Africa and a 20% reduction in the average specific energy consumption of the residential building stock. There is, however, no clear strategy for mandatory EPCs for residential buildings as in other countries, which would be welcomed to reduce emissions within this sector. Accordingly, South Africa's reduction targets are not aligned with those proposed by the SBTi to reach net-zero by 2050. Although these suggested target reductions in the South African low emission development strategy are set, these guidelines are not in line with the Paris Agreement goals. To mitigate the risk, Investec has introduced a solar offering for their private clients to enable them to move towards clean, efficient and reliable energy.

Looking ahead

Over the short term: We are looking forward to monitoring the uptake of our solar offering with the aim to reduce our financed emissions within our mortgage portfolio.

Over the medium to long term: Our aim is to advocate for more stringent policy requirements on energy efficiency within homes, and mandatory EPCs to be made available for more accurate calculations of emissions.

Resilience of our climate risk strategy continued

Steering our commercial real estate portfolio in **Investec plc**

Data quality score and data required (see Appendix 1 for PCAF data quality scores): PCAF data quality **score 4 was selected, and the option 2b was applied. Data** required for this quality score is:

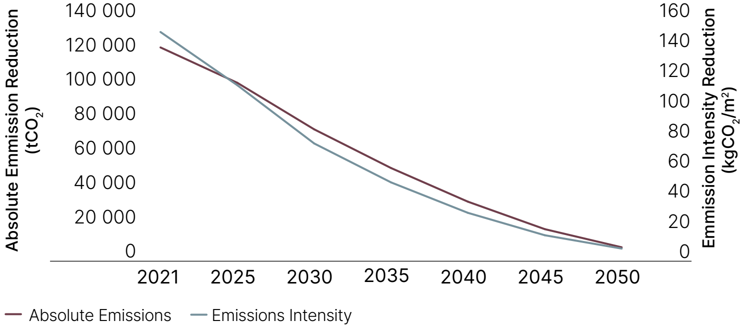
PCAF provided Emission Intensity per m² (tCO_2e/m^2) and Emission Intensity per # ($tCO_2e/\#$).

Floor area in m² or the number of dwellings were sourced from the European building emission factor database.

The results of our CRE portfolio within Investec plc using the SBTi pathway is shown alongside.

% Reduction	Absolute emissions	Emission intensity
2021	**Baseline**	**Baseline**
2025	17.36%	24.27%
2030	40.18%	50.83%
2035	59.16%	68.58%
2040	75.66%	82.46%
2045	89.13%	92.67%
2050	98.03%	98.75%

Reduction targets for Investec plc commercial real estate portfolio



Reasonability test and mitigation actions

The UK Government plans to achieve net-zero by 2050, setting the world's most ambitious climate change target. In June 2021, the new target was enacted into law that would reduce Scope 1 emissions by 78% which means that the UK will be more than three quarters of the way to net-zero by 2035. Commercial and residential real estate buildings should transition to low-carbon buildings by phasing out the installation and replacement of natural gas boilers by 2035.

The UK's ambitious reduction targets are aligned with those proposed by the SBTi to reach net-zero by 2050. These proposed targets will be achievable if policy implementation by the government in the real estate sector is executed successfully.

In addition, to assist in the reduction of emissions, we partner with our clients and finance energy efficient buildings – for example, Investec Real Estate provided a £45mn investment facility for a Grade-A office building in London.

Refer to page 53 for more information

Looking ahead

Over the short term: Investec UK Real Estate supports clients in achieving their climate-related and sustainability (including ESG) goals by offering sustainability-linked financing products. Although it is worth reiterating that the UK real estate lending market is yet to establish a comprehensive set of agreed parameters or quantifiable KPIs, with which to assess a building's climate-related and sustainability (including ESG) performance.

Over the medium to long term: We will continue to look for opportunities to fund Grade A listed buildings. We will support our clients on their net-zero ambitions through innovative sustainability-linked funding offerings.

Steering our mortgage portfolio in **Investec plc**

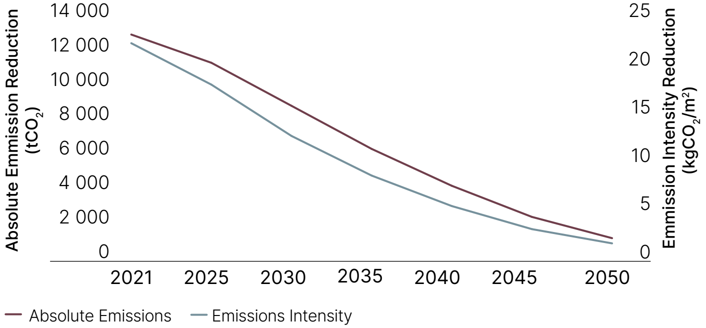
Data quality score and data required (see Appendix 1 for PCAF data quality scores): PCAF data quality **score 1 was selected and the option 1b was applied. Data** required for this quality score is:

Data was sourced from the **Energy Performance Certificates (EPCs)** that contains the floor area as well as the CO_2 emissions. For properties that we couldn't find an EPC we used an average emission based on our dataset.

The results of our mortgage portfolio within Investec plc using the SBTi pathway is shown alongside.

% Reduction	Absolute emissions	Emission intensity
2021	**Baseline**	**Baseline**
2025	13.04%	19.95%
2030	32.91%	44.63%
2035	52.80%	63.66%
2040	69.83%	78.32%
2045	84.19%	89.41%
2050	94.01%	96.25%

Reduction targets for Investec plc's mortgage portfolio



Reasonability test and mitigation actions

The UK government has set a target that the UK will be net zero by 2050, which will end up affecting homeowners in the UK. It is estimated that approximately 14% of the UK's carbon emissions comes from heating in homes, according to the Committee on Climate Change, which would require homeowners to transition towards improvements in energy efficiency. The Heat and Buildings Strategy confirmed that there will be no blanket ban on gas boilers, however the implementation through an incentive-led transition is considered. The majority of existing UK homes will need to be retrofitted to reach net-zero by 2050. It's suggested that improvements should be made to homes regarding energy efficiency, aiming to achieve an EPC band of C in most homes by 2030. The UK's ambitious reduction targets are aligned with those proposed by the SBTi to reach net-zero by 2050.

Currently we do not provide green mortgages to our clients, however this is an area which the viability could be assessed within the UK mortgage portfolio.

Looking ahead

Over the short term: We will assess our mortgage portfolio within the various EPC ratings, taking into account the short-term nature of this portfolio (3 – 5 years). This will ensure that our portfolio is in line with the goals of the UK net-zero strategy.

Over the medium to long term:
We will look at sustainable and innovative funding solutions for our mortgage clients and apply due-diligence in line with the UK's net-zero ambitions.

Resilience of our climate risk strategy continued

Aviation sector outlook

Global sector outlook

The COVID-19 pandemic has had an outsized impact on the aviation industry. While the lifting of restrictions on movement in most of the world (with some notable exceptions) has reignited global demand for travel and the initial fears around the emergence of the Omicron variant appear to have subsided, the aviation industry faces new challenges in the form of rising oil prices and airspace closures stemming from the Russian invasion of Ukraine.

Fuel prices represent one of the biggest input costs for any airline. It is estimated that fuel makes up between 45% and 50% of a typical airline's annual operating costs and hence a sharp rise in fuel prices erode typically tight profit margins. Higher oil prices also present an incentive for the aviation industry to fast-track the development of technologies to reduce emissions and invest in the latest technologies generally. The latest generation aircraft have 15% lower fuel burn and 50% lower nitrogen oxide emissions than the previous generation of aircraft.

While the COVID-19 pandemic initially led to significant reduction in aviation emissions as the number of flights fell due to border closures, it had the unintended consequence of creating huge inefficiencies. Many flights flew with significantly reduced load factors, with some flights flying empty to retain slot rights. In addition, the ongoing Russia invasion of Ukraine has had the consequence of closing key air routes, which has seen airlines alter their flight paths adding significant additional flying time and resulting in increased carbon emissions.

"Never has there been such pressure to focus on responsibility beyond passenger safety. This call for responsibility requires manufacturers, airlines, and general industry participants to act as global citizens taking proactive approaches to social and environmental implications to the aviation industry. Today we see the foundations being developed through innovation and measurable actions to truly develop an all-encompassing sustainable aviation industry."

Bradley Gordon,
Head of Aviation Finance, Africa at Investec Bank

African sustainability aviation trends

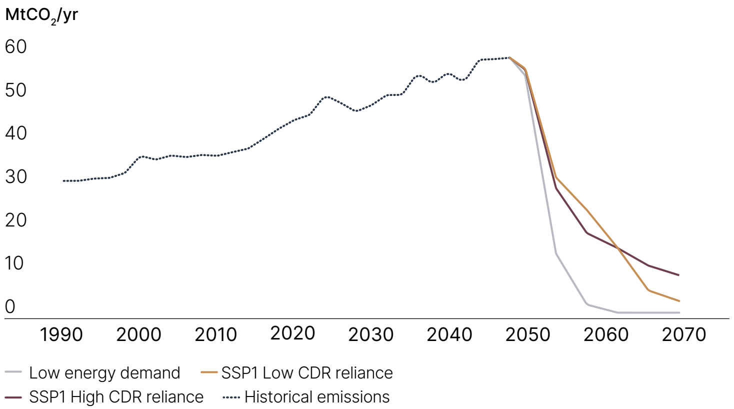
Africa and other emerging geographies are likely to have limited first-adoption of new aircraft technologies. African nations are limited by existing infrastructure and reliance on aviation to access areas, often without practical transportation substitutes. Air travel however provides a vital trade and transportation link across Africa with added social benefits of indirect contribution to trade, GDP growth and job creation.

The key focus of African Sustainable Aviation will be in providing a broad range of social and economic benefits across the continent. The African Development Bank (AfDB) reports that of the seven million pre-pandemic jobs in the continent's aviation and tourism-industry sectors, over 70% were lost[2].

The aviation industry commitment to achieving the SDGs will result in Africa as a key benefactor. UNICEF's airline partnership has already raised US$150mn from passenger collections to assist with poverty eradication[3]. Over 70 000 tonnes of food and commodities are delivered through initiatives such as the UN World Food Programme[4]. These are just some examples of poverty and hunger support, with the industry continuing to evidence its commitment to most sustainable aviation factors including (but not limited to) economic growth, good health and well-being, quality education, and gender equality.

2. https://globalriskinsights.com/2021/09/african-aviation-ready-for-take-off-once-again
3. https://aviationbenefits.org/un-sustainable-development-goals/sdg-1-no-poverty/
4. https://aviationbenefits.org/un-sustainable-development-goals/sdg-2-zero-hunger/

South Africa's transport sector direct CO_2 emissions (of energy demands)



Source: https://climateactiontracker.org/ and http://1p5ndc-pathways.climateanalytics.org/ and https://www.ipcc.ch/sr15/

The graph from the IPCC pathways shows that the reduction of fossil fuel-derived liquid fuels would significantly reduce the direct CO_2 emissions in the transport sector. The quickest decarbonisation pathway is directly related to a higher range of electricity penetration. The most ambitious pathway for the aviation industry would be scaling the use of sustainable aviation fuels in conjunction with carbon pricing impact on demand and carbon offsets. This is to counteract the disproportionate impact on lowering emissions by choosing sustainable aviation fuels as the primary decarbonisation driver.

UK and Europe sustainability aviation trends

Across the industry, aircraft manufacturers and operators are prioritising innovation for climate change prevention by means of decarbonisation. In April 2021 the French Government announced their decision to ban short-haul internal flights to reduce France's CO_2 emissions – citing the ability to substitute these flights with existing train services. Proactively responding to global climate appeals, Airbus and Boeing have voiced their commitments to revolutionising future aircraft. Airbus has stated future growth will be carbon neutral and aim for net-zero CO_2 emissions by 2050[5], while Boeing aim to deliver 100% sustainable fuel capable commercial airplanes by 2030[6].

Sustainable Aviation Fuel (SAF) is seen to be the next step as manufacturers seek long-term innovation to eradicate the use of hydro-carbon (CO_2 emitting) fuels. SAF is made from renewable biomass and waste resources, delivering the performance of petroleum-based jet fuel but reducing carbon emissions up to 80% during its lifecycle[7]. Over 370 thousand flights have been flown using a SAF and traditional jet fuel blend on current aircraft. Next generation commercial aircraft are expected to allow for SAF only adoption.

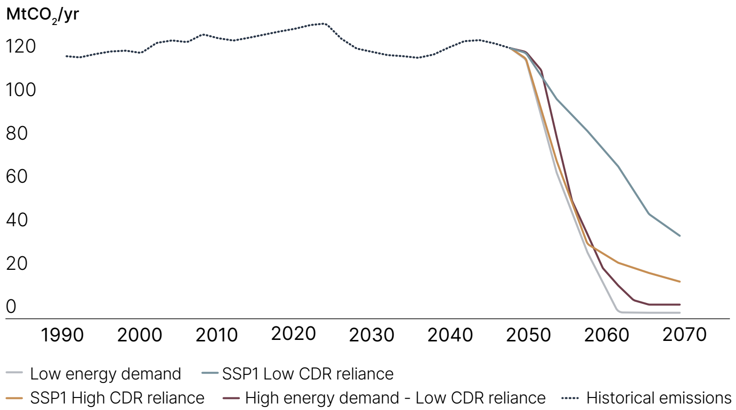
The major challenge for SAF remains the limited global supply and prohibitive cost. With SAF supply estimated at 0.01% global jet fuel use and the resultant cost being multiples of traditional fuels, supply challenges need to be overcome before comprehensive market adoption. The biggest issue right now is simply meeting the demand for SAF. According to International Air Transport Association (IATA), airlines worldwide have ordered 14bn litres of SAF but only 100 million litres were consumed in 2020. Improvements in production capabilities represent a huge opportunity to improve carbon emissions and have the added benefit of allowing airlines to limit vulnerability to movements in the oil price.

5. https://www.airbus.com/en/sustainability/environment/climate-change/decarbonisation
6. https://www.boeing.com/company/about-bca/washington/boeing-will-deliver-commercial-airplanes-ready-to-fly-on-100-sustainable-fuel.page

A longer-term goal is the use of hydrogen power or electrification solutions for the aviation sector. Light general aviation aircraft, and electric vertical take-off and landing (EVTOL) aircraft, have shown promise using electric engines powered by battery or hydrogen fuel cells. In addition to zero emissions, these technologies have demonstrated benefits of noise reduction and reduced maintenance. When considering the size, safety and infrastructure requirements of commercial aircraft, similar electric technologies are still in their infancy. However, Airbus have formally indicated their support for hydrogen technologies, indicating the first aircraft could enter service by 2035[8].

7. https://www.iata.org/en/programs/environment/sustainable-aviation-fuels/
8. https://eandt.theiet.org/content/articles/2021/12/airbus-and-boeing-to-embrace-hydrogen-from-mid-2030s/

The UKs transport sector direct CO_2 emissions (of energy demands)



Source: https://climateactiontracker.org/ and http://1p5ndc-pathways.climateanalytics.org/ and https://www.ipcc.ch/sr15/

The graph from the IPCC pathways shows that to achieve the necessary emissions reduction in the transport sector, investments into modal shift would be the most ambitious pathways, this is especially relevant to electrical vehicles. For the aviation industry the most ambitious pathway is a focus on effective market-based measures (specifically European Union Emissions Trading System, and Carbon Offsetting and Reduction Scheme for International Aviation until 2035 and swiftly followed by carbon removal measures). Further work relating to sustainable aviation fuels and fleet upgrades to more efficient aircrafts would aid in a faster decarbonisation pathway.

Technical notes on overall emission calculation methods used and rationale within Investec Limited and Investec plc aviation portfolio

As there is no current aviation methodology supplied by PCAF we have used the Aviation Working Group (AWG) methodology to calculate financed emissions from our aviation portfolio. The AWG is a not-for-profit legal entity comprised of major aviation manufacturers, leasing companies and financial institutions that contributes to the development of policies, laws and regulations that facilitate advanced international aviation financing and leasing.

Challenges in data and methodologies within Investec Limited and Investec plc

A key challenge experienced in calculating our aviation portfolio emissions was the unavailability of aircraft-specific flight information, such as the number of flight hours and cycles per annum. The AWG carbon calculator is intuitive and provides default utilisation options for original equipment manufacturer (OEM) aircrafts. The challenge remains though for smaller, non-commercial passenger aircrafts and non-OEM aircrafts that are not catered for by the AWG platform and OEM aircraft models for which methodologies are still in development by the AWG. This was overcome by using sector specific guidelines and expertise to make practical and informed assumptions on the approach for calculating the relevant aircraft emissions.

The lack of mechanisms in place to monitor and record aircraft-specific flight information, including the direct and actual GHG emissions is a sector-wide challenge within aviation. As more consistent and accurate data becomes available and existing methodologies are widely adopted and refined, more precise emission estimates will be generated to streamline aviation specific emission reduction strategies.

AWG methodology for aviation portfolio

We have used the AWG carbon calculator to calculate the emissions in our aviation finance portfolio. The AWG carbon calculator uses OEM source data, which has been determined and provided for operational aircraft models under consistent standards, assumptions and methodology, and so the source data is both accurate and directly comparable. AWG supports global efforts to substantially lower and offset carbon emissions, ensuring sustainable development of air transport. This supports extends to the International Civil Aviation Organisation’s (ICAO’s) developed carbon offsetting and reduction scheme for international aviation (CORSIA). CORSIA seeks to stabilise CO_2 emissions at 2020 levels by requiring airlines to offset the growth of their emissions after 2020.

Refer to Appendix 1 for the AWG methodology.

In respect of any aircraft for which carbon emissions are to be calculated, the AWG Carbon Calculator (ACC) tool requires the user to:

- select the relevant aircraft model
- input the number of flight hours per annum and cycles per annum for that aircraft
- confirm whether a degradation factor should apply (for example, where the aircraft model is out-of-production or an engine on the relevant aircraft is close to overhaul).

Where flight hours per annum and cycles per annum are not known by the user, the user can select to apply default utilisation data provided by the OEM for that aircraft model. The ACC tool calculates the estimated annual CO_2 emissions of an aircraft by reference to the inputs and data provided by the OEM in respect of that aircraft model. The OEMs will provide their own CO_2 emissions data in respect of each aircraft model within their fleet.

Science Based Targets initiative (SBTi)

There is no financial sector methodology released by the SBTi yet for the aviation sector, as such we have only calculated our financed emissions within our aviation portfolios for Investec Limited and Investec plc.

Our financed emissions are disclosed on page 113 of the metrics and targets section.

Navigating our aviation portfolio in Investec Limited and Investec plc

We will assist our clients to navigate the complexities of aircraft financing. We have extensive experience in banking, airline management, leasing, aeronautical engineering, law, and accountancy, as well as our strong relationships throughout the local and international aviation industry. We will continue to monitor the progress made by the aviation sector to decarbonise this industry and support and partner with our clients in the transition to a low carbon economy.

Resilience of our climate risk strategy continued

Motor vehicle finance sector outlook

Global sector outlook

Globally governments and carmakers have pledged to phase out traditional petrol cars over the next decade as a means of cutting down on harmful emissions and to grow the global green vehicle market. This growth is largely enabled by the rise in environmental concerns and supportive government policies, tax rebates, and subsidies for the adoption of green vehicles. Eco-conscious consumers are rapidly adopting green vehicles to reduce their carbon footprint. In addition, the fluctuation in oil prices and the increase in fuel efficient technologies are also pushing the demand for energy efficient vehicles. The research and development in energy efficient vehicles is continuing to increase. In addition, manufacturers are exploring producing more efficient battery capacity which will also support the growth in energy efficient vehicles.

South Africa sector outlook

Road transport remains a key source of GHG emissions in South Africa. The Department of Forestry, Fisheries and the Environment says that South Africa will make a push towards low-emission vehicles in the 2030s. It is also stated that South Africa will invest in a range of green transport measures including electric and hybrid vehicles, mode shifting and the enhanced provision of safe and affordable public transport. Electric vehicles (EVs) and overall technology improvements in motorcars will have significant influence in the reduction of road transport GHG emissions. South Africa's green transport strategy (GTS) states that long-term investment is essential for the success of the GTS. Innovative industries or sectors within and outside of transport parameters are at the forefront of bringing about low carbon intensive initiatives.

South Africa currently does not have fuel economy or CO_2 emission standards for light-duty vehicles (LDVs). Instead, South Africa has imposed consumer fuel economy and CO_2 emissions labeling since 2008. These labels include average fuel consumption and CO_2 emissions. Vehicle efficiency standards have been introduced to avoid new, inefficient vehicles being sold on the market targeting a 20% reduction in the average energy intensity of the road vehicle fleet. In addition, a differentiated vehicle registration tax applied to vehicles with a CO_2 emissions levels exceeding 120 g/km. Currently, there are no national level tax rebates, financial incentives or subsidies for purchases of electric vehicles.

UK sector outlook

In total, road vehicles are responsible for 91% of the UK's annual domestic transport CO_2 emissions. Cars and vans alone are responsible for 70% of that total.

The Green Paper on a New Road Vehicle CO_2 Emissions Regulatory Framework for the UK was released in July 2021. Stating that they were the first G7 nation to document a net-zero target in law and included plans to phase out fossil fuel use across road transport, with sales of new petrol and diesel cars and vans ending as early as 2030, and all new cars and vans being zero emission by 2035. The government has committed £2.8bn to support this transition to clean vehicles. This includes up to £1bn to build an internationally competitive electric vehicle supply chain.

The Automotive Transformation Fund will provide the first £500mn over the next four years, securing investments in strategic technologies including battery cell manufacturing, electric drives and motors, power electronics and fuel cells. In parallel, £1.3bn is being invested by government to accelerate the roll out of infrastructure, and more than £580mn for consumer grants to boost market demand. Removing all tailpipe emissions from road vehicles is fundamental to decarbonising transport.

Technical notes on overall emission calculation methods used and rational within Investec Limited and Investec plc motor vehicle finance portfolio

The PCAF methodology was used for calculating the financed emissions for the motor vehicle finance.

Challenges in data and methodologies within Investec Limited and Investec plc

Some of the key challenges experienced in calculating our motor vehicle emissions was the unavailability of known vehicle characteristics such as vehicle efficiency, fuel type and actual distance travelled by the vehicle. This was overcome with estimates sourced from published sectoral guidelines and regional statistical data. These estimates and assumptions have been detailed in this report.

PCAF methodology for motor vehicle finance

PCAF defines motor vehicle loans as on-balance sheet loans and lines of credit for specific purposes to businesses and consumers that are used to finance one or several motor vehicles. The methodology does not prescribe a specific list of vehicle types falling within this asset class. Instead, it leaves it open for financial institutions to decide and define which vehicle types to include in their inventory of financed emissions.

Attributions of emissions: When calculating financed emissions, a vehicle's annual emissions are attributed to the vehicle finance provider using a loan-to-value approach. Thus, the attribution is equal to the ratio of the outstanding amount at the time of GHG accounting to the value of the motor vehicle at loan origination.

$$\text{Attribution factor}_v = \frac{\text{Outstanding amount}_v}{\text{Total value at origination}_v}$$

(with v = vehicle or vehicle fleet)

When the motor vehicle value at origination is not feasible to obtain, financial institutions shall take a conservative approach and assume 100% attribution.

Equations to calculate financed emissions: Financed emissions of motor vehicle loans are calculated by multiplying the attribution factor by the vehicle emissions. Thus, financed emissions are calculated as follows:

$$\text{Financed emissions} = \sum_{v} \text{Attribution factor}_v \text{ X Vehicle emissions}_v$$

(with v = vehicle or vehicle fleet)

The emissions of motor vehicles are calculated as the product of the distance travelled by the vehicle, the vehicle efficiency and the specific emission factor for a fuel-type. The equation below is the result.

$$\text{Financed emissions} = \sum_{v,f} \left(\frac{\text{Outstanding amount}_v}{\text{Total value at origination}_v} \right) \text{X Distance travelled}_v \text{ X Efficiency}_{v,f} \text{ X Emission factor}_f$$

(with v = vehicle or vehicle fleet, f = fuel type)

Science Based Targets initiative (SBTi)

There is no financial sector methodology released by the SBTi yet for motor vehicle finance, as such we have only calculated our financed emissions within our motor vehicle portfolios for Investec Limited and Investec plc.

Our financed emissions are disclosed on page 113 of the metrics and targets section.

Navigating our motor vehicle portfolio

Investec Limited

Data quality score and data required: (see Appendix 1 for PCAF data quality scores)

PCAF data quality **score 5 was selected and the option 3b was applied.** Data required for this quality score is:

Estimated vehicle efficiency: The vehicle efficiency for an average vehicle in South Africa, **6.3l/100km,** was obtained from a white paper published by the Global Fuel Economy partner, International Council on Clean Transportation (ICCT) in January 2018 entitled South Africa's New Passenger Vehicle CO_2 Emission Standards: Baseline Determination and Benefits Assessment

Estimated distance travelled: The estimated average distance travelled per vehicle per year, 16 630km, was obtained from a study published by the University of Cape Town in 2012 entitled, Quantifying the energy needs of the transport sector for South Africa

Emission calculation: Emissions were calculated using estimated fuel consumption and fuel type-specific emission factors. For South Africa, the published PCAF emission factor of an average passenger car in Africa, **3.5415 tCO_2** was used.

How we are navigating our motor vehicle finance portfolio in Investec Limited

Within South Africa the green transport policy aims to push towards low-emission vehicles only in the 2030s. The uptake of EVs are limited as charging of EVs from the current electricity grid (carbon fuelled) is more carbon intensive than new internal combustion engine (ICE). The impact of EVs in South Africa will start to increase from 2040 because of decarbonised power system. The main constraints to adoption of EVs in South Africa are:

- the cost of EV purchase
- limited charging infrastructure
- power supply constraints in South Africa are not conducive to rapid adoption of EVs as charging would burden the energy system.

For South Africa to move towards a low-emissions vehicle sector and to be in line with the suggested reduction targets, enabling levers for the adoption of EV technologies in South Africa would be:

- increasing national power generation with renewable sources
- provision of policy direction by the government with set EV sales
- charging infrastructure targets.

Within Investec Limited we continue to look for opportunities in sustainable and green transport. We have provided financing for Jungenheinrich South Africa, an industry leader in the manufacturing of electric materials handling equipment and energy-savings automation solutions.

Investec plc

Data quality score and data required: (see Appendix 1 for PCAF data quality scores)

PCAF data quality **score 3 was selected and the option 2b was applied.** Data required for this quality score is:

Estimated vehicle efficiency: The estimated emission intensity per distance driven for the known vehicle make and model was sourced from the PCAF emissions factor database

Estimated distance travelled: The estimated average distance travelled per vehicle per year, 10 943.5km, was obtained from the gov.uk statistical data sets from National Travel Survey – refer to NTS0901 and NTS0905 with 1.5 occupancy rate per vehicle

Emission calculation: Emissions were calculated using estimated emission intensity per distance driven from the PCAF emission factor database and the estimated average distance travelled per vehicle per year.

How we are navigating our motor vehicle finance portfolio in Investec plc

In July 2021, the UK Government published the world's first 'greenprint' to decarbonise all modes of domestic transport by 2050. The plan pledges to end the sale of all new, polluting road vehicles by 2040. The sale of new petrol and diesel cars and vans will be phased out by 2030, and all new cars and vans will be fully zero emission at the tailpipe from 2035.

According to the 'greenprint', the delivery towards greener modes of transport will consist of the following strategic priorities:

- Accelerating modal shift to public and active transport with public transport and active travel to be the first choice
- Decarbonising road transport by phasing out all new non-zero emission road vehicles by 2040
- Decarbonising the freight system through pioneering new zero emission technologies.

Within Investec plc we continue to look for opportunities in the financing of electric vehicle infrastructure. We have invested in a London-based company, Osprey Charging, supporting 320 electric vehicle rapid charging stations and 100% powered by renewable energy. It is one of the UK's largest rapid charging networks and has plans to double its fleet of 320 chargers by the end of the year.

Embedding climate into our culture and decision-making

We are in the final stages of creating a value specific to climate-related and environmental matters within our Group values.

This process follows an integrated process that includes Investec employees across the world to foster connection and ownership towards the value. This value will be communicated and rolled out during the year.

Climate-related education

Within the Specialist Bank

Within the Specialist Bank we have rolled out a basic ESG training module for all our employees. We also hosted several webinars that were well attended by our employees which covered the following topics:

- **What they didn't teach you in school:** ESG and sustainable investing (attended by 56 participants)
- **Sustainability linked loan training** for the UK Real Estate team (attended by 55 participants)
- **Green mortgages training** for our Private Bank UK team (38 participants)
- **Climate-related and sustainability awareness** during the Investec induction (99 participants from South Africa, 37 from London and 4 from Mauritius)
- **Climate-related and sustainability training** at the Investec credit college (attended by 52 participants)
- **UK green mortgages training** (38 attended)
- **Race around the world** (attended by 351 employees internationally)

In addition, four of our staff are participating in the SDG UN Young Innovators Programme.

We have been asked to assist the UN PRB to represent Investec on the Responsible Banking Academy (RBA) Curriculum Committee. The objective is to create a consistent global framework of learning and development through an e-learning platform. The training curriculum and content will be developed through the partnership with The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Chartered Banker Institute (CBI), of which we are members in the UK. The curriculum and content development will occur in the first three quarters of 2022 with the pilot rollout, last quarter of 2022, and the launch of the academy on 31st of October 2022.

Within Wealth & Investment

Within Investec Limited

The Wealth & Investment team introduced a programme to raise awareness amongst colleagues. The format consists of:

- **Session 1: Demystifying the terminology:** explaining basics concepts and terminology around responsible investing, ESG and sustainability
- **Session 2: Global insights into sustainability:** highlighting the growing relevance of sustainability globally and its increasing impact on both the trajectory of our planet and the global economy
- **Session 3: Bringing it back home:** Applying the learnings to their day-to-day work and home lives, highlighting internal capabilities and offerings we have, including the risk and opportunities that exist both from an investment and personal perspective.

Within Investec plc

The Wealth & Investment team has embarked on several training initiatives in partnership with the Cambridge Institute for Sustainable Leadership (CISL), including workshops for:

- **25 investment managers** that completed the 8-week CISL Sustainable Finance short course
- **a small cohort** currently completing the CISL sustainable leadership programme
- **Wealth & Investment Executives and Board members** as well as **senior leaders** from the rest of the business scheduled for June 2022
- **Wealth & Investment and Research Office** scheduled for June 2022.

In addition, 13 Investment and Research Officers (IROs) and investment decision makers completed the Chartered Financial Analyst (CFA) certificate in ESG investing. We are also enrolling our investment decision makers in the newly developed CFA climate certificate after two employees completed this successfully.

Some of our employees have also been enrolled in the Harvard leadership programme.

Advocacy

Within the Specialist Bank

- **We are a member of the Institute of International Finance (IIF)** and participate in the working group focused on providing a standardised template for TCFD disclosures for banks and feedback on their climate analyses paper
- **We are a member of the Net-Zero Banking Alliance (NZBA)** an alliance that brings together banks worldwide that are committed to aligning their lending and investment portfolios with net-zero emissions by 2050. We actively participate in various working groups including the sector track, implementation track and the outreach and recruitment track, where Investec has been appointed the champion of the outreach and recruitment track in Africa
- **We are members of the Partnership for Carbon Accounting Financials (PCAF)** and actively engage in their UK and Africa working groups
- **We participate in the UN Responsible Banking Academy** to develop an online learning academy to support implementation of the Principles for Responsible Banking
- **We regularly engage with Greater Pacific in their Force for Good initiative.** The Force for Good initiative was launched with the idea that capital can be a catalyst that changes the world for good and that an increasing number of leading financial institutions are leveraging their organisation's capital to do good in a myriad of ways. The Force for Good initiative sought to assess, establish and encourage the holders of capital to be a force for good
- **Within South Africa we have participated in providing input towards the Sustainability and Climate change disclosure guidance** published by the JSE, South Africa Green Finance Taxonomy and the Just Transition Framework.

Within Wealth & Investment

- **In the UK, we joined the CISL Investment Leaders Group (ILG),** a global network of pension funds, insurers and asset managers, with over £14 trillion under management and advice. The Group is committed to its mission to advance the practice of responsible investment
- **We joined the Climate action 100+** which is an investor-led initiative to ensure the world's largest corporate GHG emitters take necessary action on climate change
- **We are a CDP signatory and joined the Non-Disclosure campaign** giving us the opportunity to actively engage companies that have received the CDP disclosure request on behalf of investors but have not yet provided a response. The objective of the campaign is to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure request
- **We are a signatory of the UN PRI,** a world-leading proponent of responsible investment. The objective is to understand the investment implications of ESG matters. It also supports an international network of investor signatories in incorporating these matters into their investment and ownership decisions. In addition, UN PRI encourages investors to use responsible investment to enhance returns and better manage risks but does not operate for its own profit; engages with global policymakers but is not associated with any government; is supported by, but not part of, the United Nations.

05 Risk management

We take a cautious approach to industries known to damage the environment. We consider double materiality as a critical factor to inform our decisions. We acknowledge that our approach is a work-in-progress and we will continue to enhance it over time.

TCFD disclosure guidance

How we identify and assess climate-related risks	3a
How we are managing climate-related risks	3b
How the processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management	3c

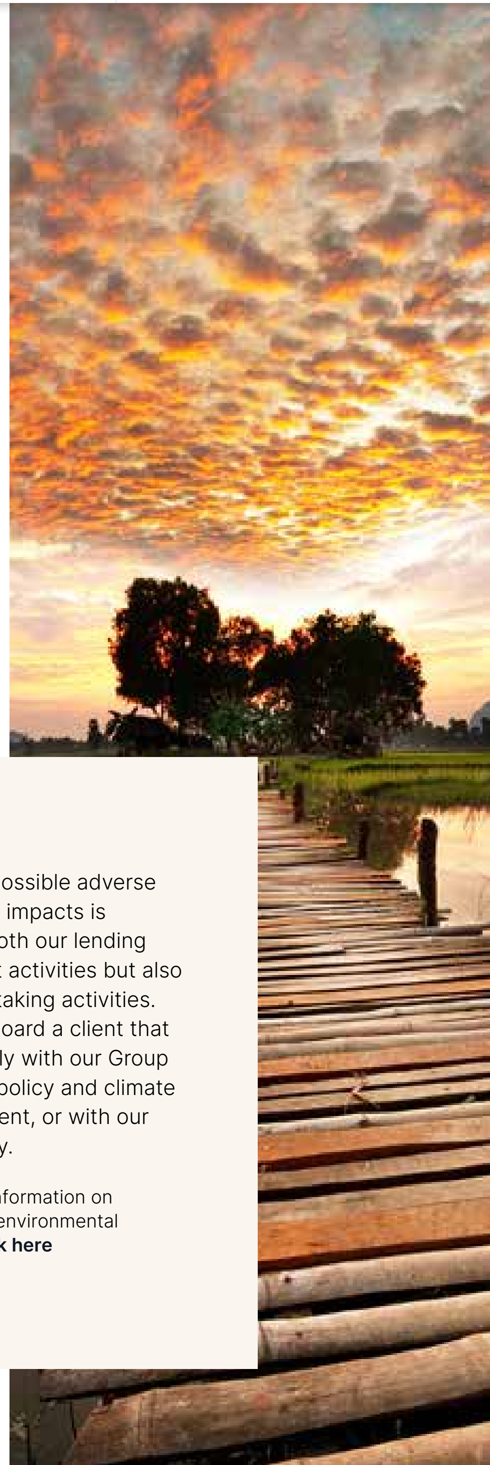
Investec supports international best practices regarding the responsibility of the financial sector in financing and investing in transactions. Social, environmental, and ethical risk considerations are implicit in our values, culture and code of conduct, and are applied as part of our risk framework.

Our approach to managing the risks from climate change is continually evolving as we improve our understanding of this complex and interconnected risk. We are also aware of the enormity of the challenge with many improved tools and resources becoming available as this area of risk evolves.

In saying this, we acknowledge that our approach is a work-in-progress, and we will continue to enhance it over time. We consider double materiality as a critical factor to inform our decisions. We take a cautious approach to industries known to have an adverse effect on the environment and climate.

The Board has the ultimate responsibility to ensure that the Group is operating as a responsible corporate. Through its various subcommittees, the Board has performed a robust assessment to identify principal and emerging risks. Regular reporting of these risks is made to senior management, the executives and the Board at the DLC Board Risk and Capital Committee (DLC BRCC). Extreme events are assessed, and mitigation actions are considered within Investec's risk appetite frameworks.

Refer to pages 17 to 33 in our governance section.



Our process for identifying and assessing climate-related risks 3a

Our purpose to create enduring worth – living in, not off, society, speaks to our determination to minimise and prevent lending, investing, or dealing with counterparties where potentially unmitigated environmental or climate degradation might occur. Climate-related and sustainability (including ESG) considerations are implicit in our values, culture and code of conduct and are applied as part of our climate-related and sustainability (including ESG) risk frameworks.

In particular, the following factors are considered when a transaction is evaluated and approved or declined based on sustainability considerations:

- Environmental considerations (including animal welfare and climate-related impacts)
- Social considerations
- Ethical considerations (including human rights)
- Macro-economic considerations (including poverty, growth and unemployment).

We continue to support international best practices regarding the responsibilities of the financial sector in financing and investing in transactions. We support a precautionary approach to climate-related and sustainability (including ESG) matters. As such, climate-related risk considerations are integrated into multidisciplinary, company-wide management processes throughout the Group and are managed within our lending and investment portfolios. We have a climate change statement and policy on environmental and social risk practices for both our lending and investment activities (including detailed guidance for certain high-risk industries) and a comprehensive fossil fuel policy.

Screening for possible adverse climate-related impacts is performed in both our lending and investment activities but also in our deposit-taking activities. We will not onboard a client that does not comply with our Group environmental policy and climate change statement, or with our fossil fuel policy.

For more information on our Group environmental policy, **click here**

Identifying and assessing significance in terms of size and scope 3a(i)

In assessing the significance of climate change risk, due consideration is given to both the potential impact from climate change and the responses to climate change. The complexities around climate change modeling potentially, including the role of adaptation and mitigation responses is profound. In doing so, a different thought process should be applied to the sectoral and regional boundaries and the links between physical and socio-economic drivers of the risks. Climate risk can arise through physical or transition risks, which can translate into risks described in the strategy section on page 56.

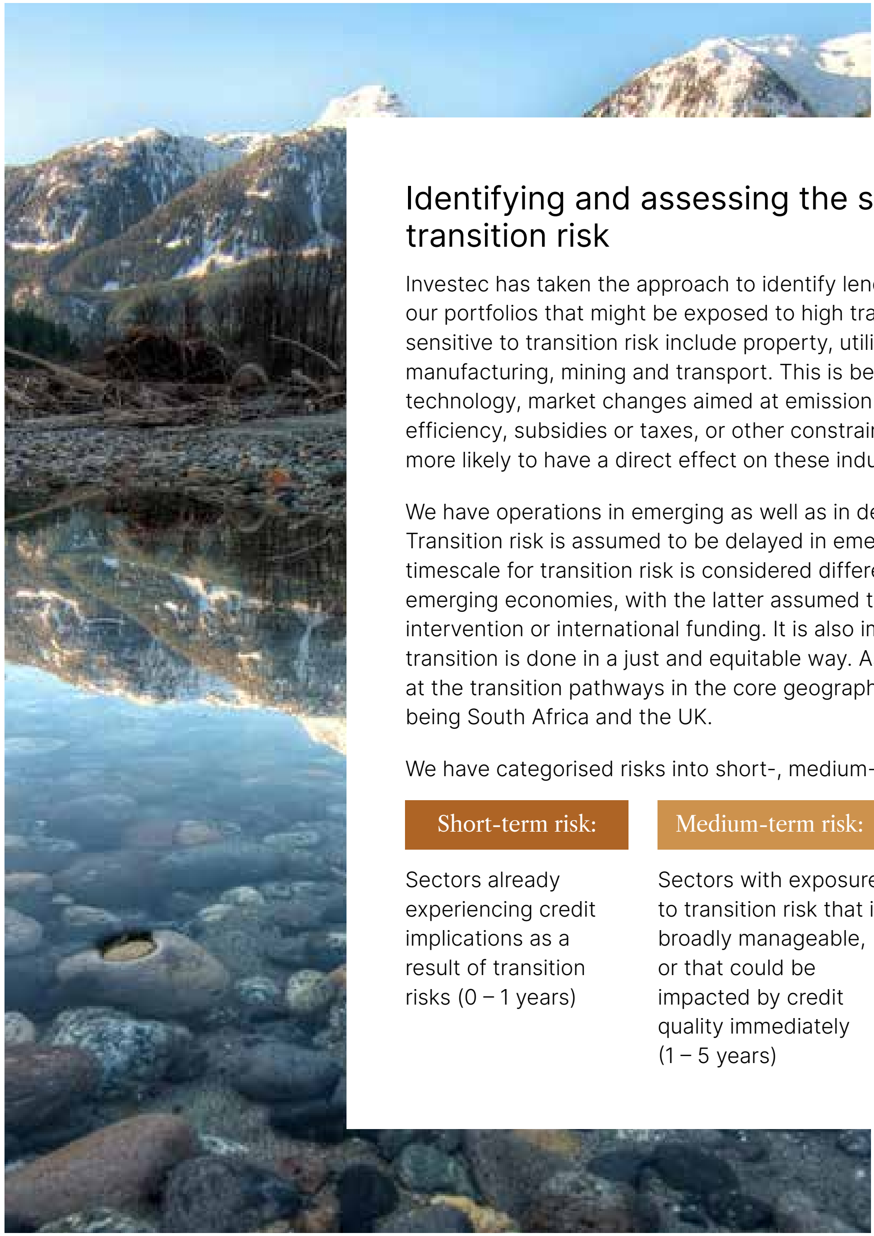
Material asset class assessment within our loan book

Material climate-related risk considerations are integrated into multidisciplinary, company-wide management processes throughout the Group and are managed within our credit and investment portfolios. Ultimately the DLC Social and Ethics Committee (DLC SEC) and the Group ESG Executive Committee take responsibility for monitoring climate-related and sustainability (including ESG) matters. We have a Board-approved risk appetite framework where significant exposures to industries that could be considered to have a higher climate or ESG risk are monitored and limited.

To assess the significance of the climate-related risk posed to the Group, we have calculated a baseline for emissions we finance. To do so we considered the size of our various portfolios on balance sheet as a percentage of core loans and advances at 31 March 2021, as shown alongside. Included are also the size of our portfolios at 31 March 2022.

	Investec Group		Investec plc		Investec Limited	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
Commercial real estate	**15%**	15%	**11%**	11%	**18%**	18%
Residential real estate	**4%**	4%	**5%**	6%	**2%**	2%
Total lending collateralised by property	**19%**	**19%**	**16%**	**17%**	**20%**	**20%**
Mortgages	**28%**	27%	**28%**	26%	**28%**	28%
High net worth and specialised lending	**16%**	16%	**7%**	7%	**24%**	24%
Total high net worth and other private client lending	**44%**	**43%**	**35%**	**33%**	**52%**	**52%**
Corporate and acquisition finance	**17%**	16%	**13%**	11%	**20%**	19%
Asset-based lending	**1%**	1%	**3%**	3%	**–**	–
Fund finance	**5%**	6%	**9%**	10%	**2%**	3%
Other corporate and financial institutions and governments	**2%**	2%	**3%**	4%	**1%**	1%
Small ticket asset finance	**6%**	6%	**10%**	10%	**2%**	2%
Motor finance	**2%**	2%	**5%**	5%	**–**	–
Aviation finance	**1%**	2%	**2%**	3%	**1%**	1%
Power and infrastructure finance	**3%**	3%	**4%**	4%	**2%**	2%
Total corporate and other lending	**37%**	**38%**	**49%**	**50%**	**28%**	**28%**
Total core loans	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Our process for identifying and assessing climate-related risks continued



Identifying and assessing the size and scope of transition risk

Investec has taken the approach to identify lending exposures within our portfolios that might be exposed to high transitional risk. Sectors sensitive to transition risk include property, utilities, fossil fuel activities, manufacturing, mining and transport. This is because policy actions, technology, market changes aimed at emission reductions, energy efficiency, subsidies or taxes, or other constraints and incentives are more likely to have a direct effect on these industries.

We have operations in emerging as well as in developed economies. Transition risk is assumed to be delayed in emerging economies. The timescale for transition risk is considered different for developed and emerging economies, with the latter assumed to be delayed without intervention or international funding. It is also imperative that this transition is done in a just and equitable way. As such we have looked at the transition pathways in the core geographies in which we operate, being South Africa and the UK.

We have categorised risks into short-, medium- and long-term risks.

Short-term risk:	Medium-term risk:	Long-term risk:
Sectors already experiencing credit implications as a result of transition risks (0 – 1 years)	Sectors with exposure to transition risk that is broadly manageable, or that could be impacted by credit quality immediately (1 – 5 years)	Modest sector-wide exposure to transition risk or where the consequences are not likely to be material to credit quality (5 – 40 years)

Identifying and assessing the size and scope of physical risk

There is an understanding regarding the uncertainty of when and how severe the physical risks of climate change might manifest. However, in an attempt to best quantify these risks, we have looked at the impact of physical climate consequences e.g. changes to precipitation patterns and increasing maximum temperatures on our real estate portfolio within the Investec Limited and Investec plc book, as with current tools this is the most measurable aspect.

Regulatory environment 3a(ii)

In the past few years, we have seen a significant increase in climate-related regulatory requirements. We consider existing and emerging regulatory requirements related to climate change, and remain focused on adhering to the highest levels of compliance in each of our jurisdictions. Our culture is a major component of our compliance framework and is supported by robust policies, processes and talented professionals who ensure that the interests of our clients and shareholders remain at the forefront of everything we do. We have independent compliance functions in each of our core operating jurisdictions, which ensure that the Group implements the required processes, practices and policies to uphold applicable regulations and legislation. To keep on the front foot with emerging and existing climate-related regulatory requirements we are supported by our compliance, legal and governance teams who will notify the Group sustainability team of any new or emerging regulatory climate-related requirements. The Group sustainability team is tasked with performing a gap analysis against these regulations to be presented as and when required to the Group ESG Executive Risk Committee. Any identified gaps are communicated, and processes are put in place to address these gaps.

Regulatory environment continued

We are specifically guided by the developments within the core geographies in which we operate, being South Africa and the UK. At the time of publication of this document we were guided by the following regulations, policies, frameworks and commitments.

South Africa

- The South African National Climate Change Response Policy (October 2011)
- Integrated Resource Plan (October 2019)
- National Greenhouse Gas Emissions Reporting Regulations 2016 (updated September 2020)
- National Climate Change Adaptation Strategy (August 2020)
- Economic Reconstruction and Recovery Plan (October 2020)
- South Africa's National Determined Contributions (September 2021)
- Climate Change Bill (February 2022)

Emerging

- Presidential Climate Commission: Just Transition Framework (March 2022)
- National Green Finance Taxonomy (April 2022)

UK and Europe

- UK Corporate Governance Code (July 2018)
- National Adaptation Programme (last version covering 2018-2023) (amended 2018)
- UK Green Finance Strategy (June 2021)
- Streamlined Energy and Carbon Reporting (April 2019)
- UK Stewardship Code (October 2019)
- UK Climate Change Act 2008 (amended in 2019)
- UK's Ten Point Plan for a Green Industrial Revolution (November 2020)
- UK National Determined Contributions (December 2020)
- UK's sixth Carbon Budget (December 2020)
- UK Net Zero Strategy (October 2021)
- UK Green Taxonomy (October 2021)
- Environment Act (November 2021)
- Financial Conduct Authority Rules on TCFD (December 2021)
- The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations made under the Companies Act 2006 (January 2022)

Emerging

- PRA 2021 Biennial Exploratory Scenario on financial risks from climate change. The Climate Biennial Exploratory Scenario (CBES)

Global

- Montreal Protocol (September 1987)
- UN Framework Convention on Climate Change (March 1994)
- Kyoto Protocol (February 2005)
- Paris Agreement (December 2015)
- Network for Greening the Financial System (NGFS) scenarios (June 2021)
- Financial Stabilities Board (FSB): Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021)
- Basel Committee on Banking Supervision: Principles for the effective management and supervision of climate-related financial risks (November 2021)
- Global Reporting Initiative (GRI)
- SASB Standards
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Principles for Responsible Investment (UN PRI)
- United Nations Environment Programme Finance Initiative(UNEP FI)
- United Nations Principles for Responsible Banking (UN PRB)
- United Nations Sustainable Development Goals (UN SDGs)

Emerging

- International Sustainability Standard Board (ISSB) standards (2022)
- Task Force on Nature-related Financial Disclosures (TNFD) (March 2022)

We have noted the publication of the Climate Change Bill of 2022 in South Africa which aims to enable the development of an effective climate change response and a long-term, just transition to a low-carbon and climate-resilient economy and society for South Africa in the context of sustainable development. In February 2022, the Presidential Climate Commission (PCC) released a draft paper for consultation on the vision, principles, planning elements and policy measures to achieve a just transition in South Africa, as well as the outcomes to be achieved over the short-, medium-, and long-term. The framework aims to bring coherence and coordination to just transition planning in South Africa.

We have also been following the emerging developments of the IFRS Foundation with regards to the formation of the International Sustainability Standards Board (ISSB).

In general, we are guided by:

- The International Finance Corporation (IFC) to categorise our general financing and lending activities into high, medium and low risk
- Our Group climate change statement and environmental and social risk policy available on our **Website**
- Our Group fossil fuel policy available on our **Website**
- Our Group operational resilience statement available on our **Website**
- The way we do business document available on our **Website**
- Best practice within industry

Assessing climate-related transition risk within our operations

3a(iii)-1

We have committed to ongoing carbon neutrality within our direct operations:

Scope 1: We continue to assess our Scope 1 emissions and implement initiatives to reduce this further where possible. Once efforts to reduce these emissions are exhausted, we will offset the remaining unavoidable emissions through high-quality carbon offsets.

Scope 2: We have implemented energy reduction initiatives throughout all our buildings and are sourcing 100% of our energy requirements through renewables by purchasing renewable energy certificates.

Scope 3 operational: We have reduced these emissions to a level where further reduction is minimal. We have achieved this through reduced paper consumption and managing emissions from car, rail and air travel through online meetings. We offset the remaining unavoidable emissions by purchasing high-quality carbon credits.

For more information refer to pages 107 and 108 in the metrics and targets section

Assessing climate-related transition risk (scope and size) within our business

3a(iii)-1

A high-level calculation on climate sensitive sectors where we may experience transition risk is shown below, however this is based on our current portfolio with no mitigation and no stress testing applied. Within our core loans, the following sectors may be exposed to transition risks.

	Investec Limited (R'mn)		Investec Limited (£'mn)		Investec plc (£'mn)		Investec Group (£'mn)	
	March 2022	March 2021	**March 2022**	March 2021	**March 2022**	March 2021	**March 2022**	March 2021
Lending collateralised by property	**60 420**	59 445	**3 141**	2 917	**2 379**	2 126	**5 520**	5 043
Utilities	**6 584**	6 729	**342**	330	**619**	649	**962**	979
Manufacturing	**10 021**	8 109	**521**	398	**797**	769	**1 318**	1 167
Mining	**1 259**	1 820	**65**	89	**96**	159	**161**	248
Transport	**5 790**	5 418	**301**	266	**657**	1 309	**958**	1 575
Total of core loans exposed to transition risk	**84 074**	**81 521**	**4 370**	**4 000**	**4 548**	**5 012**	**8 919**	**9 012**
Total core loans	**301 106**	**290 044**	**15 654**	**14 245**	**14 680**	**12 501**	**30 208**	**26 746**
Total % of core loans exposed to transition risk	**28%**	28%	**28%**	28%	**31%**	40%	**30%**	34%
% of core loans exposed to transition risk over the short-term	**0%**	0%	**0%**	0%	**4%**	5%	**2%**	2%
% of core loans exposed to transition risk over the medium-term	**3%**	3%	**3%**	3%	**16%**	18%	**7%**	11%
% of core loans exposed to transition risk over the long- term	**25%**	25%	**25%**	25%	**11%**	17%	**21%**	21%

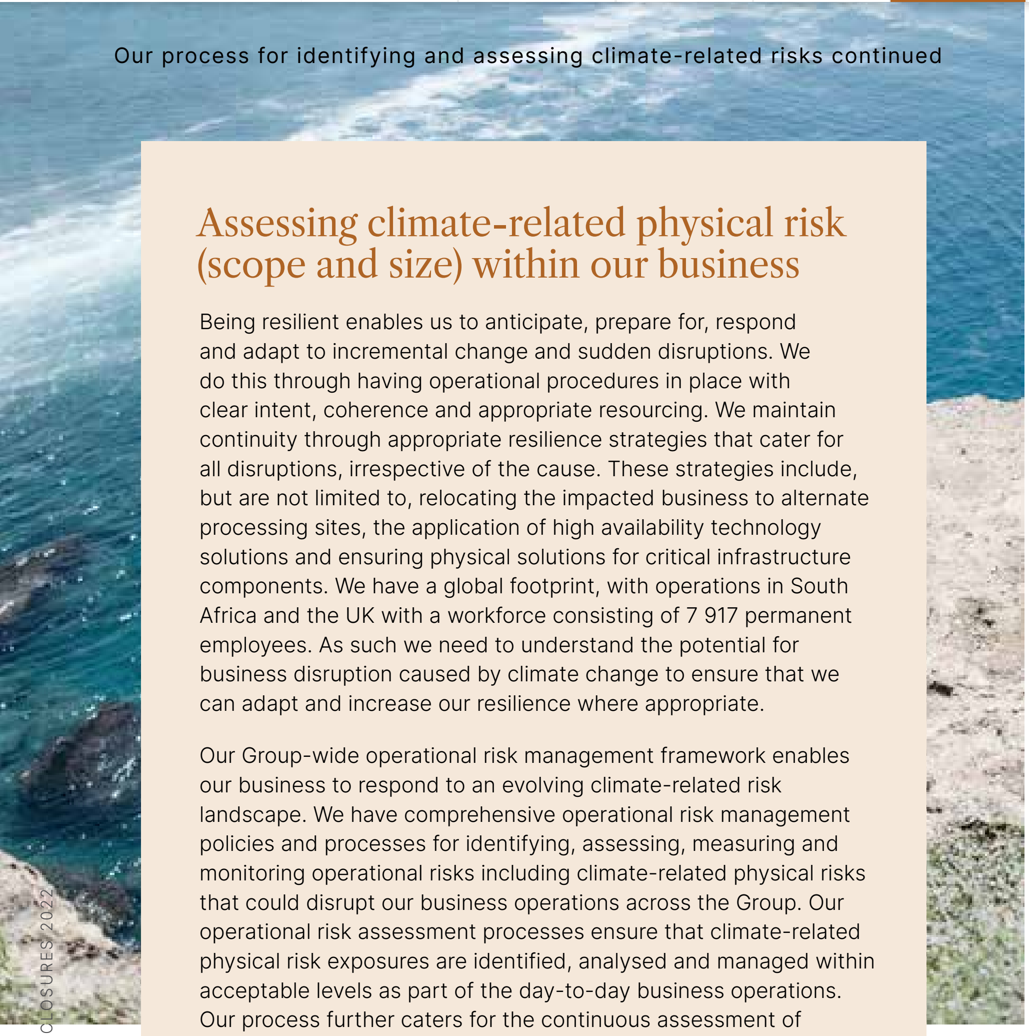
Short-term risk (0 – 1 year)

Medium-term risk (0 – 5 years)

Long-term risk (5 – 40 years)

Assessing Scope 3 financed emissions within our lending and investment activities

We have calculated our financed emissions from our lending and investment activities. We used the Partnership for Carbon Accounting Financials (PCAF) methodologies for our lending collateralised by property and mortgage portfolios, as well as motor vehicle finance and aviation. This provided us with our baseline emissions to serve as an input into the Science Based Target initiative (SBTi) tools to inform us towards net-zero targets aligned with the Paris Agreement goals. For our energy and power generation we have used the Paris Agreement Capital Transition Assessment (PACTA) explained on page 61 of the strategy section. In addition, we have also considered the different transition pathways within the countries in which we operate explained on pages 59 to 77 of the strategy section.



Our process for identifying and assessing climate-related risks continued

Assessing climate-related physical risk (scope and size) within our business

Being resilient enables us to anticipate, prepare for, respond and adapt to incremental change and sudden disruptions. We do this through having operational procedures in place with clear intent, coherence and appropriate resourcing. We maintain continuity through appropriate resilience strategies that cater for all disruptions, irrespective of the cause. These strategies include, but are not limited to, relocating the impacted business to alternate processing sites, the application of high availability technology solutions and ensuring physical solutions for critical infrastructure components. We have a global footprint, with operations in South Africa and the UK with a workforce consisting of 7 917 permanent employees. As such we need to understand the potential for business disruption caused by climate change to ensure that we can adapt and increase our resilience where appropriate.

Our Group-wide operational risk management framework enables our business to respond to an evolving climate-related risk landscape. We have comprehensive operational risk management policies and processes for identifying, assessing, measuring and monitoring operational risks including climate-related physical risks that could disrupt our business operations across the Group. Our operational risk assessment processes ensure that climate-related physical risk exposures are identified, analysed and managed within acceptable levels as part of the day-to-day business operations. Our process further caters for the continuous assessment of existing and emerging climate-related risks and the implementation of robust controls and mitigation strategies for material climate-related physical risks that could negatively impact the sustainability and resilience of our business operations.

Shared Socioeconomic Pathways (SSPs)

To assess our physical risks within our operations and within our real estate portfolio we have used Shared Socio-economic Pathways (SSPs) which are scenarios that project socio-economic global changes up to 2100. They are used to derive GHG emissions scenarios with different climate policies.

The scenarios are:

SSP1: Sustainability (taking the green road): The world shifts gradually, but pervasively, towards a more sustainable path, emphasising more inclusive development that respects perceived environmental boundaries. Management of the global commons slowly improves, educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts toward a broader emphasis on human well-being. Driven by an increasing commitment to achieving development goals, inequality is reduced both across and within countries. Consumption is oriented toward low material growth and lower resource and energy intensity.

SSP2: Middle of the road: The world follows a path in which social, economic, and technological trends do not shift markedly from historical patterns. Development and income growth proceeds unevenly, with some countries making relatively good progress while others fall short of expectations. Global and national institutions work towards but make slow progress in achieving sustainable development goals. Environmental systems experience degradation, although there are some improvements and overall the intensity of resource and energy use declines. Global population growth is moderate and levels off in the second half of the century. Income inequality persists or improves only slowly and challenges to reducing vulnerability to societal and environmental changes remain.

SSP3: Regional rivalry (a rocky road): A resurgent nationalism, concerns about competitiveness and security, and regional conflicts push countries to increasingly focus on domestic or, at most, regional issues. Policies shift over time to become increasingly oriented toward national and regional security issues. Countries focus on achieving energy and food security goals within their own regions at the expense of broader-based development. Investments in education and technological development decline. Economic development is slow, consumption is material-intensive, and inequalities persist or worsen over time. Population growth is low in industrialised and high in developing countries. A low international priority for addressing environmental concerns leads to strong environmental degradation in some regions.

The following SSP pathways were used in assessing our physical risks:

SSP1 – 2.6: this scenario involves low GHG emissions and CO_2 emissions cut to net-zero around 2075. This SSP1-2.6 scenario approximately corresponds to the previous scenario generation, Representative Concentration Pathway RCP-2.6 scenario.

SSP2 – 4.5: this scenario involves intermediate GHG emissions and CO_2 emissions around current levels until 2050, then falling but not reaching net zero by 2100. This scenario, approximately corresponds to the RCP-4.5 scenario.

SSP3 – 7.0: this scenario involves high GHG emissions and CO_2 emissions double by 2100. This scenario approximately corresponds to the RCP-7.0 scenario.

Physical risks

Physical risks within our South African operations

Geolocations were used to map the Investec offices. Precipitation was analysed according to the pathways shown below.

Precipitation

Prediction in scenario's SSP1-2.6, SSP2-4.5 and SSP3-7.0 show that temperatures will increase across South Africa on different levels. The total annual precipitation will decline into the mid-21st century and could possibly return to more or less current levels towards 2100 if emissions of greenhouse gasses are reduced.

SSP3-7.0 predicts generally declining precipitation across South Africa, however it also models increases to the average maximum precipitation for most of South Africa, up to 15% increase in certain places. This may be an indication of more frequent extreme precipitation events. Increases in the highest maximum average precipitation is projected for most of South Africa and up to 15% increase in certain parts.

Coupled Model Intercomparison Project 6 (CMIP6) models and SSP scenarios indicate that properties located in areas of Gauteng and Kwazulu-Natal such as Durban may be subject to increased extreme precipitation events, since the country is expected to become drier on average.

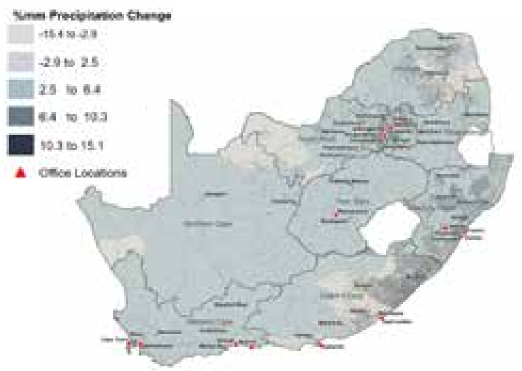
The climate data and study is inline with other global and local organisations such as the Intergovernmental Panel on Climate Change (IPCC) and the Department of Forestry, Fisheries and Environment for climate change predictions. More granular geographic locations were added to the projections which identifies areas for risk impact assessment.

Under SSP1-2.6, the precipitation generally decreases or increases only slightly over time. However, the change over time is markedly different under SSP2-4.5. In this scenario the Western Cape region becomes drier over time, whereas the northern provinces generally become wetter. The Gauteng Investec offices can expect an increase in rainfall over time under this scenario. The projections for the SSP3-7.0 scenario also shows the Western Cape becoming drier over time, but with Gauteng remaining relatively more stable.

Our office in KwaZulu-Natal can expect the highest increase in rainfall under the SSP3-7.0 scenario which may impact the safety and wellbeing of our employees who are at work or live in the surrounding area. This risk is managed within our operational resilience strategies and business continuity plans which incorporates emergency response procedures. In the recent floodings during April and May 2022 seen in KwaZula-Natal our offices were not impacted and our employees who were impacted by the flooding were supported.

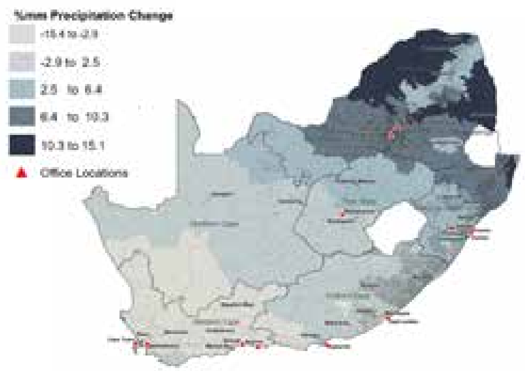
PRECIPITATION

SSP1-2.6: Taking the green road



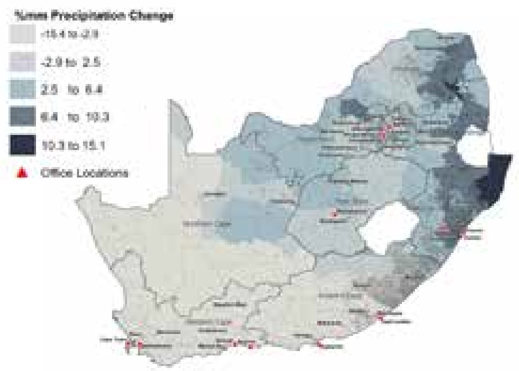
Offices and highest maximum average precipitation percentage change – SSP1-2.6 from 2021-2040 to 2081-2100

SSP2-4.5: Taking the middle road



Offices and Highest Maximum Average Precipitation Percentage change – SSP2-4.5 from 2021-2040 to 2081-2100

SSP3-7.0: Taking the rocky road



Offices and Highest Maximum Average Precipitation Percentage change – SSP3-7.0 from 2021-2040 to 2081-2100

Images: Copyright RiskScape

Our process for identifying and assessing climate-related risks continued

Physical risks within our South African operations continued

Geolocations were used to map the Investec offices. Maximum temperatures were analysed according to the pathways shown below.

Maximum temperatures

The maps that follow show geospatially the locations of predicted highest maximum temperatures. Darker colours indicate higher temperatures. Coastal areas are predicted to have smaller temperature increases mostly due to proximity to oceanic water. Overall a warmer climate is expected over all three scenarios as expected but that the level of change differs across the three scenarios. Only the Bloemfontein office lies in an area showing a significant increase in temperature for the SSP1-2.6 scenario.

For SSP2-4.5, a larger part of the country experiences significantly higher temperatures and in this scenario, the Bloemfontein, Johannesburg and Pretoria offices are expected to experience relatively high temperatures.

The most extreme changes occur for the SSP3-7.0 scenario. Here, the Bloemfontein, Johannesburg and Pretoria offices experience extremely high temperatures, as well as the Western Cape and Durban offices are expected to experience very high temperatures as well.

These extreme temperatures may impact the health and wellbeing of our employees who work or live around our high risk office locations. The risk of the impact on our employees is managed and mitigated through our robust operational resilience strategies and business continuity plans which incorporates emergency response procedures.

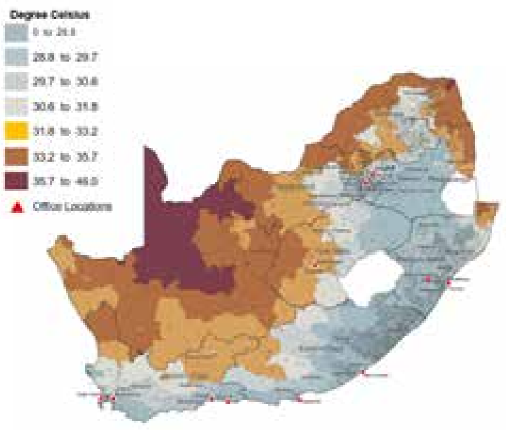
SSP1-2.6: Taking the green road

SSP2-4.5: Taking the middle road

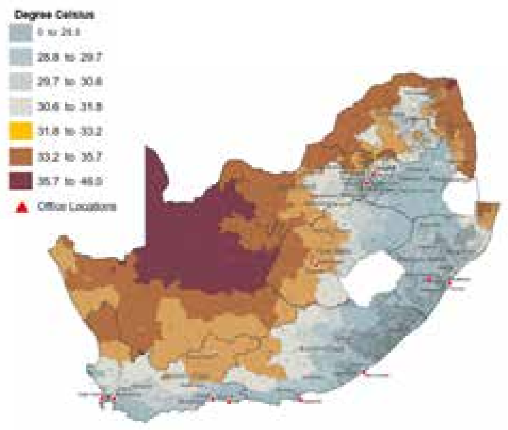
SSP3-7.0: Taking the rocky road

The maps below show that a warmer climate is expected over all three scenarios but that the level of change differs across the three scenarios.

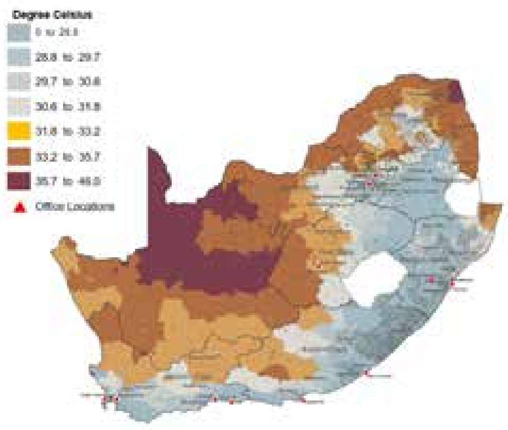
MAXIMUM TEMPERATURES



Offices and highest average monthly maximum temperatures – SSP1-2.6 for 2021-2040



Offices and highest average monthly maximum temperatures – SSP2-4.5 for 2021-2040



Offices and highest average monthly maximum temperatures – SSP3-7.0 for 2021-2040

Images: Copyright RiskScape

Physical risks

Physical risks within our UK operations

Geolocations were used to map the Investec offices. Precipitation was analysed according to the pathways below.

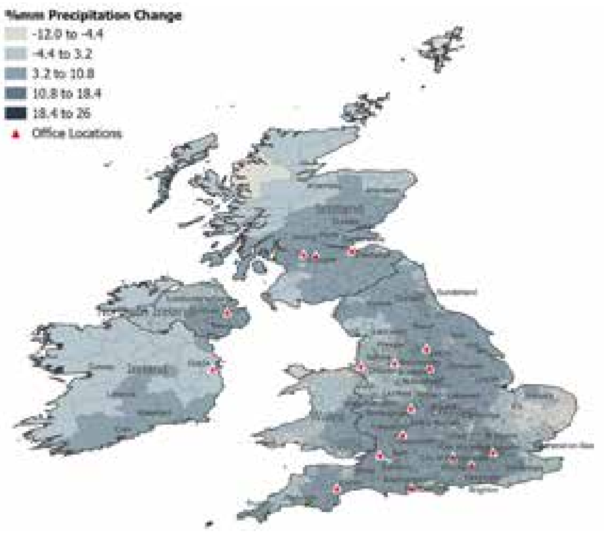
Precipitation

The outlook for the UK is on average drier summers and wetter winters, with differences across the country both by scenario and region. Under all selected scenarios the likelihood of extreme events are higher. Under SSP1-2.6 most offices are exposed to mild increases in precipitation, while Dublin, Liverpool and Manchester have a slightly lower risk of increases. Under SSP3-7.0 a more material increase is expected, with offices across the country exposed to a higher risk of increases. Generally, the offices in the central and south western parts of England may experience a slightly less pronounced increase.

This risk is managed within our operational resilience strategies and business continuity plans which incorporates emergency response procedures.

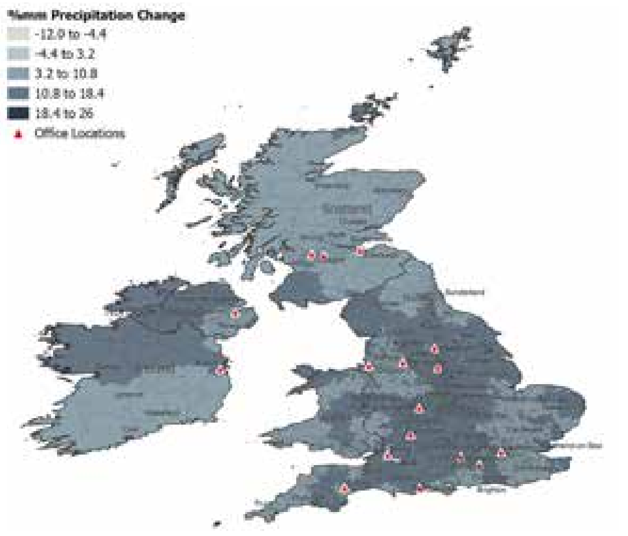
PRECIPITATION

SSP1-2.6: Taking the green road



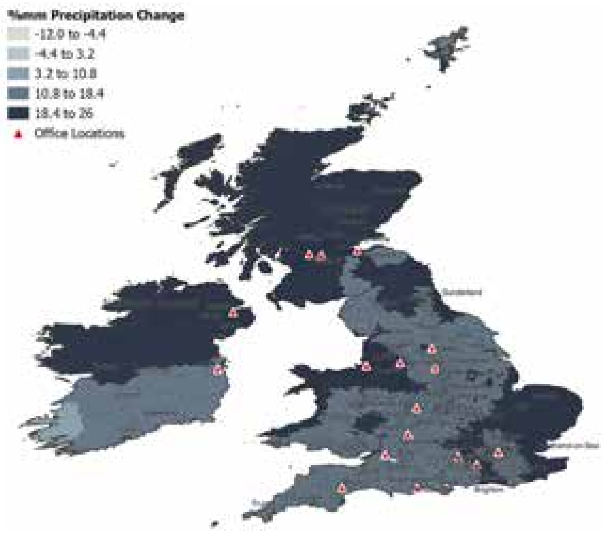
Offices and highest maximum average precipitation percentage change – SSP1-2.6 from 2021-2040 to 2081-2100

SSP2-4.5: Taking the middle road



Offices and Highest Maximum Average Precipitation Percentage change – SSP2-4.5 from 2021-2040 to 2081-2100

SSP3-7.0: Taking the rocky road



Offices and Highest Maximum Average Precipitation Percentage change – SSP3-7.0 from 2021-2040 to 2081-2100

Images: Copyright RiskScape

Physical risks within our UK operations continued

Geolocations were used to map the Investec offices. Maximum temperatures were analysed according to the pathways below.

Maximum temperatures

In the near term, the South Eastern and central-Southern parts of England is likely to experience the highest risk of very hot temperatures under SSP1-2.6, but with only the London offices exposed to the highest risk temperate changes. Most offices in England face the risk of temperatures as high as or higher than 35 degrees in the long term under both SSP3-7.0 and SSP2-4.5. The risk of very high temperatures in Scotland remains much lower than the rest of the country across scenarios and time periods. Ireland also has less risk of very hot days under SSP1-2.6 and SSP2-4.5 even in the longer term.

These extreme temperatures may impact the health and wellbeing of our employees who work or live around our high risk office locations. The risk of the impact on our employees is managed and mitigated through our robust operational resilience strategies and business continuity plans which incorporates emergency response procedures.

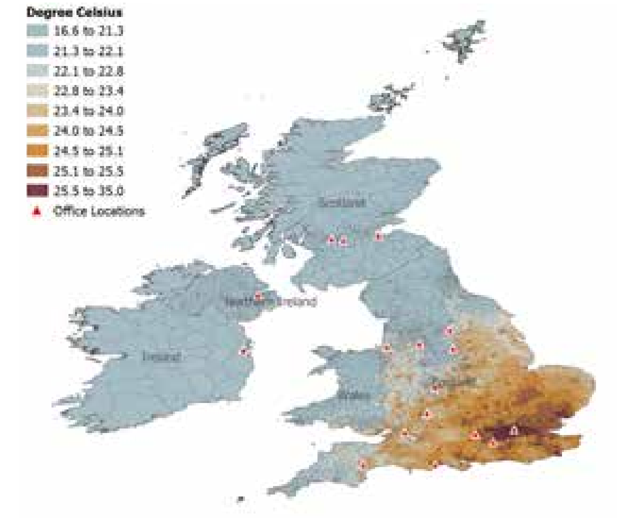
SSP1-2.6: Taking the green road

SSP2-4.5: Taking the middle road

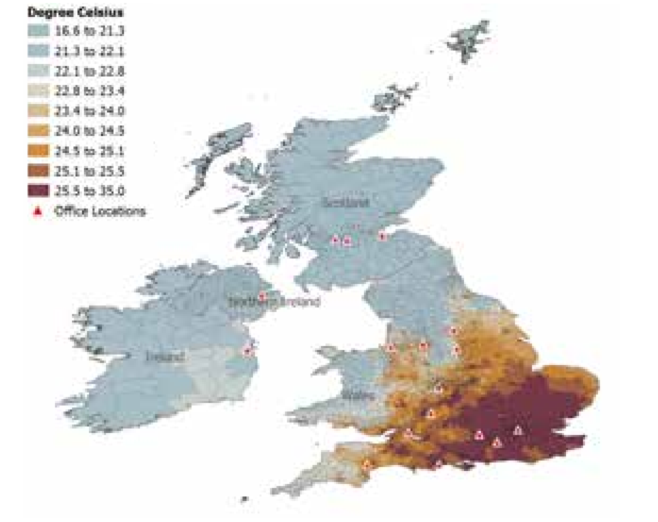
SSP3-7.0: Taking the rocky road

The maps below show that a warmer climate is expected over all three scenarios but that the level of change differs across the three scenarios.

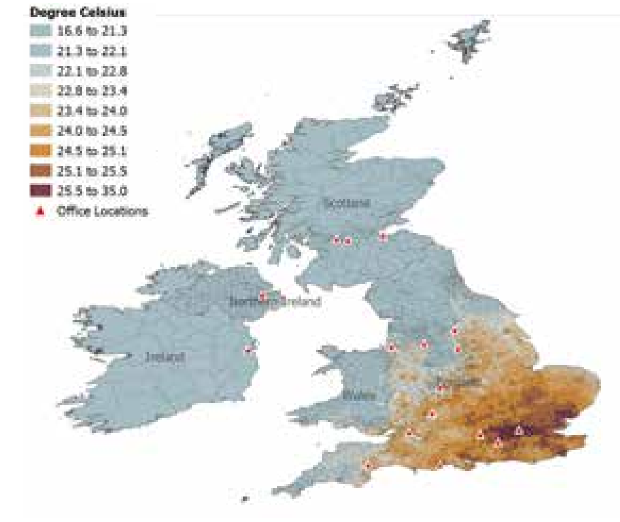
MAXIMUM TEMPERATURES



Offices and highest average monthly maximum temperatures – SSP1-2.6 for 2021-2040



Offices and highest average monthly maximum temperatures – SSP2-4.5 for 2021-2040



Offices and highest average monthly maximum temperatures – SSP3-7.0 for 2021-2040

Images: Copyright RiskScape

Assessing climate-related physical risk within our business

Within South Africa

The below maps show our exposure to physical climate-related risks within our residential and commercial real estate, in South Africa. The analysis across the three SSP scenarios show that extreme changes in precipitation or maximum temperatures pose a very low risk to our residential and commercial properties. A project has been kicked-off to quantify the risk to property collateral due to the climate-related risks.

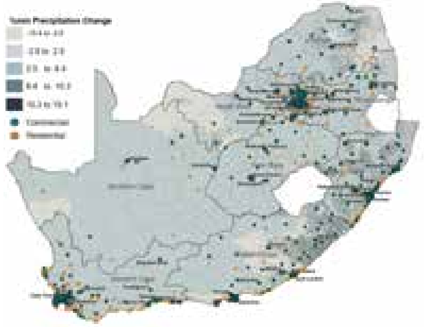
<5%

of Investec Limited's commercial and residential portfolio is exposed to extreme precipitation or temperature changes

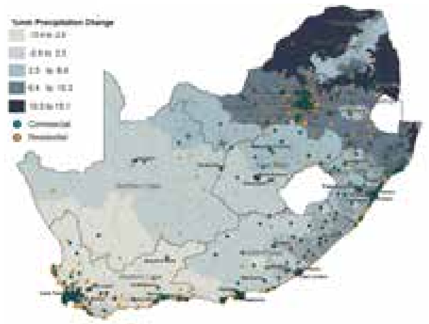
Commercial and residential real estate

SSP1-2.6: Taking the green road | SSP2-4.5: Taking the middle road | SSP3-7.0: Taking the rocky road

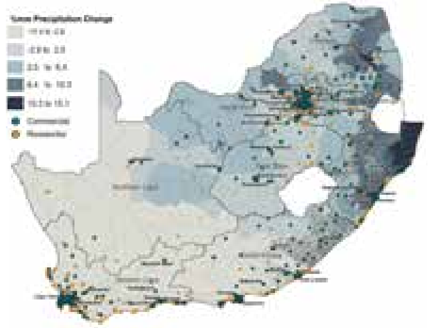
PRECIPITATION



Residential properties and highest maximum average precipitation percentage change – SSP1-2.6 from 2021-2040 to 2081-2100



Residential properties and Highest Maximum Average Precipitation Percentage change – SSP2-4.5 from 2021-2040 to 2081-2100

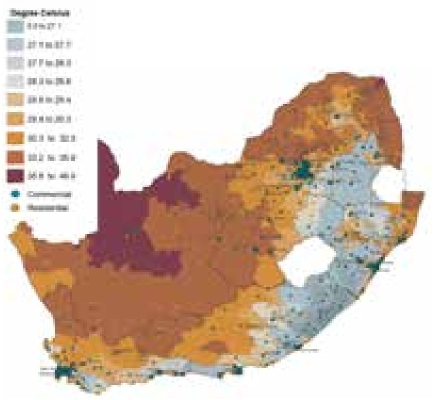


Residential properties and Highest Maximum Average Precipitation Percentage change – SSP3-7.0 from 2021-2040 to 2081-2100

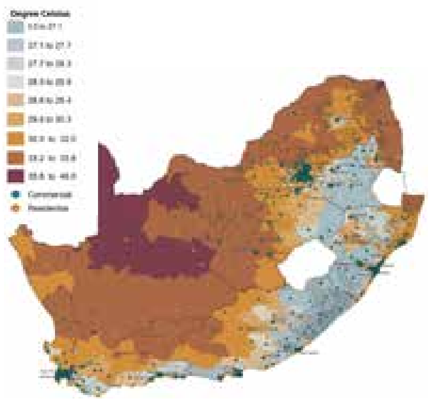
Predicted changes in precipitation was used to analyse the physical risk of our residential and commercial properties to flood ponding. In addition, properties located close to coastlines were analysed for exposure to ocean water hazards and storm hazards.

Regions where we have properties that have the highest exposure to flood risk in extreme events are located in Johannesburg, the area around the Eastern side of Table Mountain in Cape Town, Umhlanga and Everton. In summary the analysis showed that less than 5% of our properties may be exposed to floods and ocean hazards in the extreme scenario.

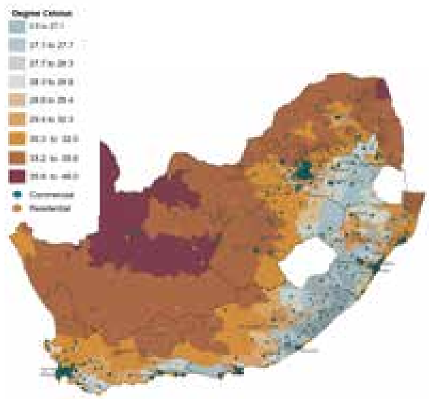
MAXIMUM TEMPERATURES



Residential properties and highest average monthly maximum temperatures – SSP1-2.6 for 2021-2040



Residential properties and highest average monthly maximum temperatures – SSP2-4.5 for 2021-2040



Residential properties and highest average monthly maximum temperatures – SSP3-7.0 for 2021-2040

Predicted change in maximum temperature was used to analyse the physical risk of our residential and commercial properties to extreme heat, fire risk and thatch flammability. Regions where we have properties that have the highest exposure to extreme heat, fire and thatch flammability in Gauteng are in Pretoria and the Northern part of Johannesburg. Pinelands has the highest concentration of risk in Cape Town. Everton and the Northern part of Durban have the highest concentration of thatch flammability risk in KwaZulu-Natal. In summary the analysis showed that less than 5% of our properties may be exposed to extreme heat and fire risk.

Images: Copyright RiskScape

Assessing climate-related physical risk within our business

Within the UK

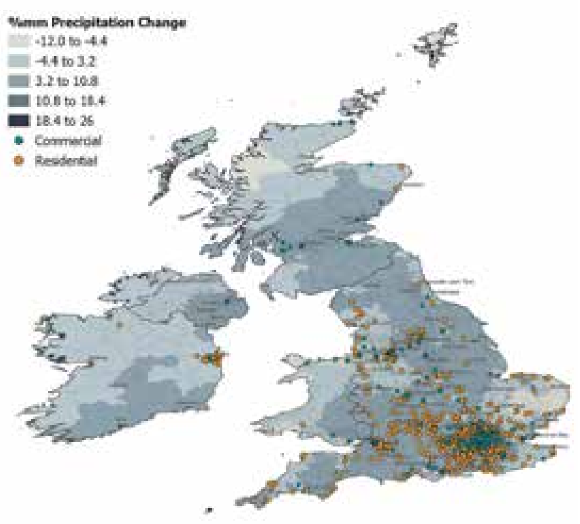
The below maps show our exposure to physical climate risks within the residential and commercial real estate portfolios, in UK and Europe. The vast majority of the portfolio is concentrated in England, with some exposures in Wales, Ireland, and Scotland. The analysis across the 3 SSP scenarios show that England may experience both increases in extreme higher temperatures, as well as increases in national precipitation. Under SSP1-2.6 the temperature increases are reasonably modest. The extreme temperature increases in England are likely to affect a smaller region than the precipitation increases, and are predominantly in the South and South-East.

Precipitation increases expected in England are relatively modest compared with some other parts of the globe. Wales, Ireland and Scotland generally are expected to face more precipitation risk than temperature related risks. Overall, the scenarios show modest trends, and less pronounced sensitivities to the point of marginal decreases in global carbon emissions.

Commercial and residential real estate

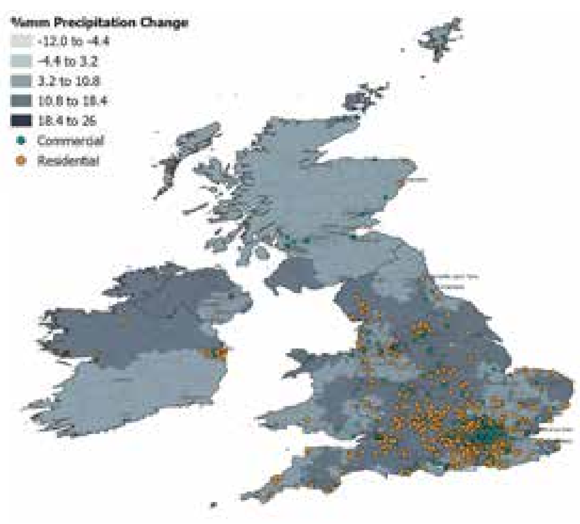
PRECIPITATION

SSP1-2.6: Taking the green road



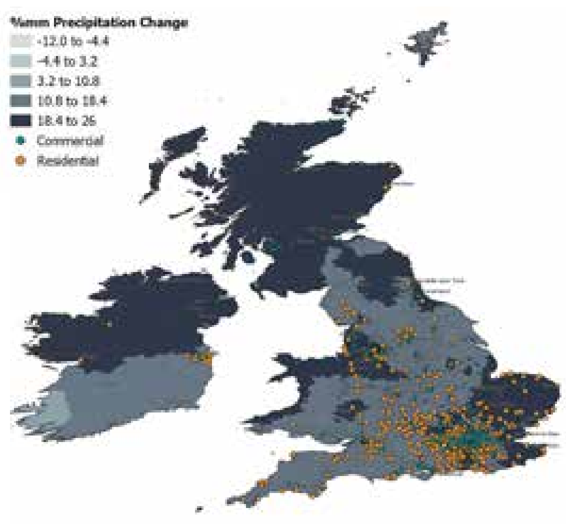
Residential properties and highest maximum average precipitation percentage change – SSP1-2.6 from 2021-2040 to 2081-2100

SSP2-4.5: Taking the middle road



Residential properties and Highest Maximum Average Precipitation Percentage change – SSP2-4.5 from 2021-2040 to 2081-2100

SSP3-7.0: Taking the rocky road



Residential properties and Highest Maximum Average Precipitation Percentage change – SSP3-7.0 from 2021-2040 to 2081-2100

Images: Copyright RiskScape

Generally under all three selected scenarios precipitation (and associated risks such as floods and coastline related risks) is expected to increase for vast parts of the UK, by between 3% and 20%. The mildest increase is expected under SSP1-2.6 with a less than 10% increase, affecting the interior of England north to south, as well as the southern part of Scotland and Ireland, and the eastern part of Northern Ireland. These changes are arguably not significant enough to cause a material change in physical risk. Under SSP3-7.0 however material increases are expected, with the majority of Scotland, Ireland, the south eastern areas of England, and smaller areas in Wales and northern England expected to see changes of more than 18% in precipitation. Under this more extreme scenario, 15.1% of properties stand to be affected, of which just over 2% (of all properties) are commercial real estate. Offices located in these areas are Glasgow, Edinburgh, Belfast, Liverpool, Manchester, Guildford, and London. A negligible percentage of properties face increased coastline exposure in these areas.

Assessing climate-related physical risk within our business

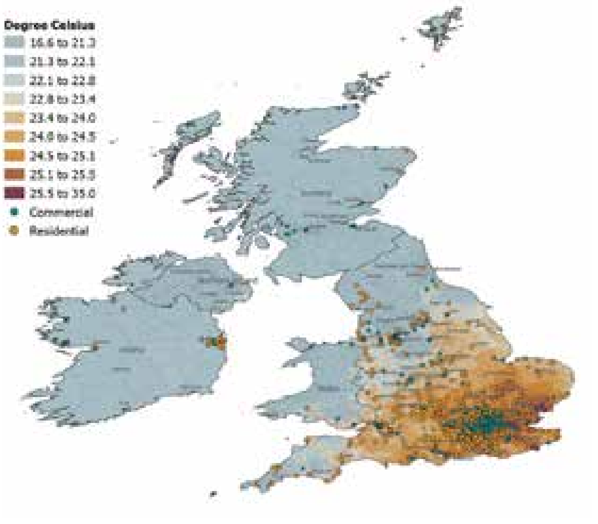
Within the UK continued

Significant temperature increases (up to 35 degrees Celsius or more on hottest days) are expected to be seen for large parts of the UK under all selected scenarios, affecting a notable percentage (around 75%, of which around 8% is commercial real estate) of properties in the portfolio in the near-term on the highest temperature scenario – SSP3-7.0. Most properties are affected in the long term until 2100. Possible impacts include fire risk, as well as secondary risks such as impacts on property values over the longer term. The area affected is as expected larger for the higher temperature scenarios, with mostly the central Southern and South eastern parts of England affected under SSP1-2.6, and nearly the entire England, the entire Wales, and the eastern parts of Ireland affected under SSP3-7.0 (around 99% of properties, of which 7% are commercial real estate) in the longer term.

Commercial and residential real estate

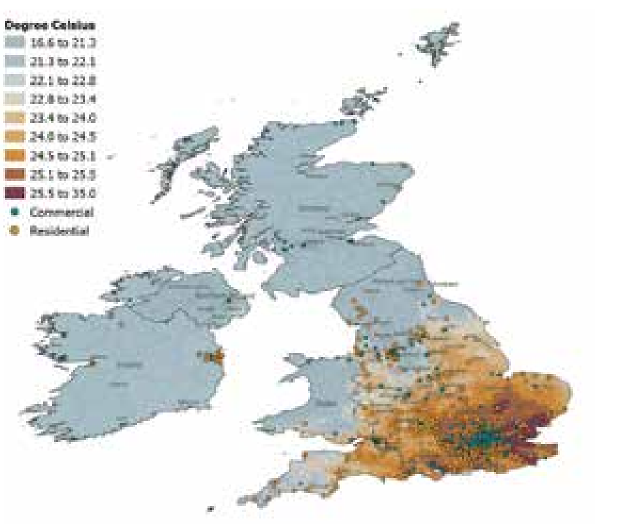
MAXIMUM TEMPERATURES

SSP1-2.6: Taking the green road



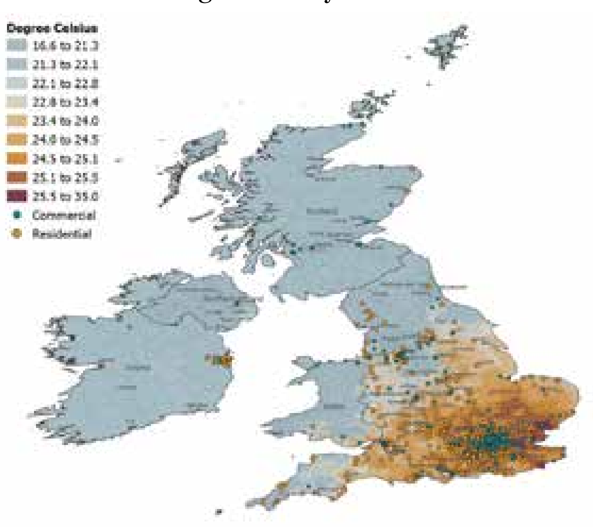
Residential properties and highest average monthly maximum temperatures – SSP1-2.6 for 2021-2040

SSP2-4.5: Taking the middle road



Residential properties and highest average monthly maximum temperatures – SSP2-4.5 for 2021-2040

SSP3-7.0: Taking the rocky road



Residential properties and highest average monthly maximum temperatures – SSP3-7.0 for 2021-2040

Images: Copyright RiskScape

Definitions of risk terminology used 3a(iii)-2

Investec is using categories of transition and physical risks according to the TCFD framework as defined below:

Transition risk

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to our organisation.

Policy risks

Policy actions around climate change continue to evolve. Their objectives generally fall into two categories. Policy actions that attempt to constrain actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change.

Litigation or legal risk

Litigation includes the failure of our organisation to mitigate impacts of climate change, failure to adapt to climate change, and the insufficiency of disclosure around material financial risks. As the value of loss and damage arising from climate change grows, litigation risk is also likely to increase.

Technology risk

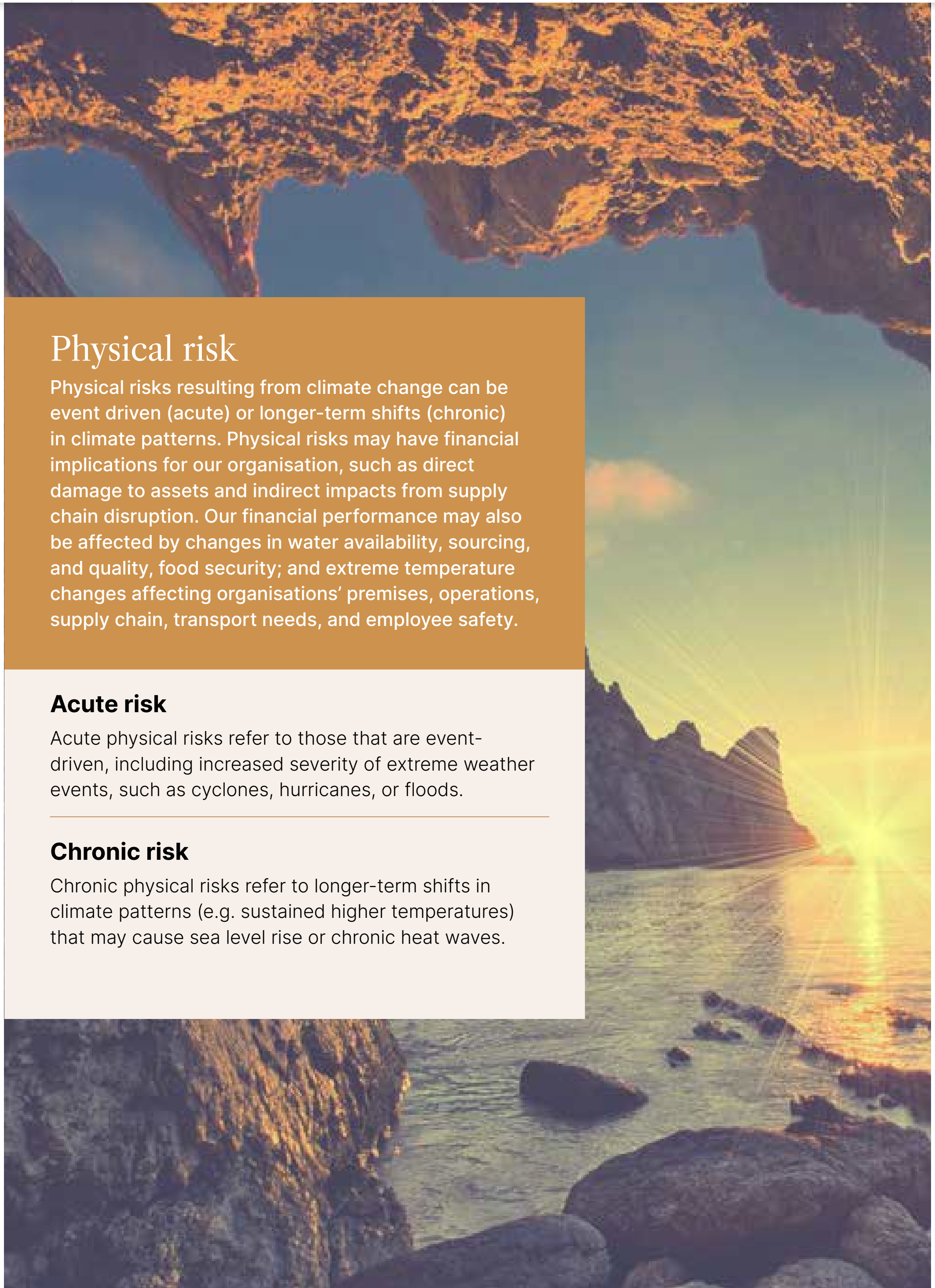
Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system may have a significant impact on our organisation.

Market risk

Shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly considered.

Reputational risk

Risk tied to changing customer or community perceptions of our organisation's contribution to, or detraction from, the transition to a lower-carbon economy.



Physical risk

Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for our organisation, such as direct damage to assets and indirect impacts from supply chain disruption. Our financial performance may also be affected by changes in water availability, sourcing, and quality, food security; and extreme temperature changes affecting organisations' premises, operations, supply chain, transport needs, and employee safety.

Acute risk

Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.

Chronic risk

Chronic physical risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Our process for identifying and assessing climate-related risks continued

We have adapted the Basel Committee on Banking Supervision's guidance on the drivers of climate-related risk and their transmission channels to determine how physical and transition climate risk may affect our financial risks through micro- and macro-economic transmission channels.

Physical risks

ACUTE

- Wildfires
- Heat waves
- Floods
- Storms

CHRONIC

- Droughts
- Landslides
- Sea level rise
- Variability of precipitation

Transition risks

GOVERNMENT POLICY

- Net-zero policies

TECHNOLOGY CHANGE

- Low carbon technologies

SENTIMENT

- Investor: ESG investment
- Consumer: Air travel

Transmission channels

MICRO-ECONOMIC

How climate risk drivers impact particular households, corporates (including banks) and particular sovereigns as well as issuer-specific financial assets

- Individual sovereigns or sub-national institutions
- Corporates (including banks and financial institutions)
- Households
- Property
- Corporate credit
- Equities

MACRO-ECONOMIC

How climate risk drivers impact on an economy overall and sovereigns in general as well as macro-economic variables

- Sovereigns or sub-national institutions
- Corporates (including banks and financial institutions)
- Households
- Government bonds
- Forex rates
- Commodities

SOURCES OF VARIABILITY

Geographical heterogeneity

- Location and jurisdictional dependencies: Risk drivers; Economies; Financial systems

Amplifiers

- Factors that increase the impact of climate risk drivers: Risk driver interactions; Financial amplifiers; Transmission channel interactions

Mitigants

- Factors that reduce the financial impact of climate risk drivers in banks: Bank behaviours and business models; Availability and pricing of insurance; Depth and maturity of capital markets; Hedging opportunities

Financial risks

CREDIT

Credit risk increases if climate risk drivers reduce borrowers' ability to repay and service debt (income effect) or banks' ability to fully recover the value of a loan in the event of default (wealth effect).

Investec could face:

- Stranded assets in GHG-intensive industries
- Increased probability of defaults (PDs) due to lower earnings resulting from a decrease in demand for GHG intensive products causing higher capital expenditure due to adaptation costs and/or higher operational expenditure due to fines, taxes, etc.
- Products may become obsolete; loss of market capitalisation; higher cost of doing business.
- Higher loss given defaults (LGDs) as underlying collateral values decrease for high carbon emission assets
- Increased concentration risk in GHG-intensive sectors should be carefully monitored as all banks aim to divest from these exposures
- Higher LGDs due to less demand for certain assets leading to a negative impact on collateral value.

MARKET

Reduction in financial asset values, including the potential to trigger large, sudden and negative price adjustments where climate risk is not yet incorporated into prices. Climate risk could also lead to a breakdown in correlations between assets or a change in market liquidity for particular assets, undermining risk management assumptions.

Investec could face:

- Increased volatility and costs, sourcing restrictions for carbon heavy raw materials
- Change in consumer behaviours including deliberate moves to lower carbon intensive products and transition to greener alternatives
- Competitor changes – new entrants focused on green credentials
- A possible impact on equities, bonds and derivatives if a company is not transitioning in line with market expectations.

LIQUIDITY

Banks' access to stable sources of funding could be reduced as market conditions change. Climate risk drivers may cause banks' counterparties to draw down deposits and credit lines.

Investec could face:

- The inability to obtain the necessary funding from retail and corporate clients, or at substantially higher costs, if we are seen as not transitioning in line with market expectations.

OPERATIONAL

Increasing legal and regulatory compliance risk associated with climate-sensitive investments and businesses. Risk associated with disruptive incidents which can impact premises, staff, equipment, systems, and key business processes.

Investec could face:

- Increased likelihood, and impact of business disruption events due to physical climate risks.

REPUTATIONAL

Increasing reputational risk to banks based on changing market or consumer sentiment.

Investec could face:

- Reputational risk due to association with clients who are deemed to be affected by either of these risks and viewed negatively by the market
- Risks of changing customer or community perceptions of an organisation's contribution to or detraction from the transition to a lower-carbon economy
- Risks based on changing market or consumer sentiment.

REGULATORY AND COMPLIANCE

The risks of changing legislation, regulation, policies, voluntary codes of practice and their interpretation in the markets in which we operate can have a significant impact on the Group's operations, business prospects, costs, liquidity and capital requirements.

Investec could face:

- The risks of changing legislation, regulation, policies, voluntary codes of practice and their interpretation in the markets in which we operate
- Increasing legal and regulatory compliance risk associated with climate-sensitive investments and businesses
- Additional cost implications through own operations if carbon neutral status is not maintained
- Increased claims in the form of environmental liability exposures
- Increased GHG emissions pricing and carbon tax
- Fines due to non-adherence to new requirements
- Potential for litigation as a lever to drive an agenda of increased climate change mitigation activity across a range of sectors.

https://www.bis.org/bcbs/publ/d517.pdf

How we are managing climate-related risks 3b

Climate change is seen as both a business opportunity and a risk. Therefore, our strategy is informed by the following climate change considerations:

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

How we are managing climate-related risks continued

BUSINESS AND EMPLOYEES

OUR EMPLOYEES

During the past year we have built climate-related and sustainability (including ESG) skills throughout the organisation by rolling out an ESG 101 online training module to all employees. We provide in person development to teams where required on climate-related and sustainability (including ESG) risks and opportunities through our credit college. We also have an ESG guideline handbook that is available to assist all staff in assessing climate-related and sustainability (including ESG) risks. We believe that when our employees have the adequate knowledge and skills within our various business units they can act as the first line of defence in identifying climate-related risks. During the financial year ending March 2022, our employees were given the opportunity to join in various training sessions and presentations relating to climate matters.

ESG SYSTEMS INTEGRATION

We continue to enhance our screening process across all our business activities. The identification of high-risk industries has been automated within Investec plc. We continue to work on automating this process within Investec Limited. Transactions are classified according to the World Bank IFC guidelines into high, medium and low risk.

High risk: Proposed funding or investment is likely to have significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented.

Medium risk: Proposed funding or investment is likely to have limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Low risk: Proposed funding or investment is likely to have minimal or no social or environmental impacts. Primarily services, consulting, training and education, trading, retail sales, etc.

ESG SCREENING TEAM

Once a transaction has been identified as being in a high-risk industry, these activities go through a comprehensive due diligence process performed by the Group ESG team.

In depth analysis is done by the team to:

- assess the alignment of the transaction with our climate-related and sustainability (including ESG) policies
- ensure there is no contravention of our cross-sectional requirements or zero-tolerance activities (refer to page 100)
- assess the client's ambitions towards net-zero pathways
- assess ESG ratings by globally accredited bodies (e.g. CDP, Sustainalytics)
- assess public reporting on climate-related and sustainability (including ESG) matters and impacts
- assess disclosures in line with the GRI and TCFD
- assess alignment with the UN SDGs
- assess any other publicly available information around their contribution to, and positive/negative impact on ESG aspects
- investigate any media controversies or reputational issues facing the client involved.

For each high-risk transaction, an ESG opinion is provided by the Group ESG team for consideration by our credit committees.

MANAGEMENT LEVEL

GROUP CREDIT AND INVESTMENT COMMITTEES

The various credit and investment committees will reject any high-risk transaction that is not accompanied by an ESG opinion. Based on the findings in the ESG opinion, discussions around the risk and risk mitigation measurements are taken into account.

- **Risk mitigation:** Any risks will be assessed against the clients' policies and appropriate mitigation actions that have been put in place
- **Risk appetite:** We take a cautious approach to industries known to have adverse environmental and climate change impacts. We have a Board-approved risk appetite framework where significant exposures to industries are monitored and limited. During the financial year ending March 2022, we reviewed and approved the Investec plc and the Investec Bank plc risk appetite statement which included a stronger view on climate-related risk appetite with an ambition of zero coal exposure in the next three to five years.
- At 31 March 2022 we have maintained our risk tolerance level. In addition, our environmental policy and climate risk statement is approved by the Board annually.

WEALTH & INVESTMENT

Investec Wealth & Investment UK and South Africa are each represented on the Investec Group ESG Executive Committee. Climate and sustainability matters identified in this Committee are communicated by the representatives to the Investec Wealth & Investment Sustainable Investment Forum. This committee coordinates the integration of the climate-related and sustainability (including ESG) matters across various Investec Wealth & Investment jurisdictions. It ensures collaboration and promotes consistency in our approach to our climate-related activities i.e. stewardship, measurement and education. An Equity Corporate Governance Committee in the UK provides recommendations on voting and engagement and this is coordinated with our stewardship activities in South Africa and Switzerland.

EXECUTIVE LEVEL

There is also oversight by the DLC ESG Executive Committee and the DLC SEC on climate-related and sustainability (including ESG) matters. The Group ESG Executive Committee mandated by the Group's Executive Directors reports relevant climate-related and sustainability (including ESG) matters to the DLC SEC and Group ERC. The main objectives of the committee are to coordinate these efforts across geographies and businesses.

ENGAGING WITH CLIENTS

We believe that our most significant impact on the environment and climate change is through our lending and investment activities. We use our specialist skills in the advisory, lending and investing businesses to support clients and stakeholders to move as quickly and smoothly as possible towards a zero-carbon economy. We have created a sustainable finance framework to support our sustainable financing practices. The framework outlines the approach for classifying and managing sustainable financing activities and instruments.

Refer to page 47 for more information.

We engage with our clients on sustainability issues to minimise the risks and require clients to meet appropriate technical, governance, transparency, social and environmental standards.

For example:

- as part of our client onboarding process, we assess potential clients for various risk profiles, including responsible business behaviour and their activities
- climate-related and sustainability (including ESG) risks are identified and assessed as part of transaction due diligence processes
- our 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.

ENGAGING WITH OUR SUPPLY CHAIN

Our procurement statement incorporates standards on human rights, labour rights, environmental and anti-corruption principles as set out in the UN Global Compact. We encourage our employees to promote responsible and inclusive procurement practices and to manage the related environmental, social and ethical impacts. Currently, all IT suppliers go through an onboarding process. This onboarding process uses a screening platform that calculates the risk level for each supplier which will determine the level of due diligence required. This includes cybersecurity, business continuity, operational resilience, screening for climate-related and sustainability (including ESG) and ethical policies. This onboarding process will be rolled out to all suppliers over the next year.

Risk management within the Specialist Bank

Any transaction that falls within a high-risk sector as defined by the IFC, goes through a rigorous ESG screening process. This screening process considers risk avoidance, mitigation, acceptance and risk control and reporting.

Risk avoidance

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 has in non-designated countries. All transactions done in non-designated countries are EP monitored and compliant.

With regards to environmental and climate risk, **we will not engage in activities**:

- Within our Investec plc business that involves any kind of coal. Our current exposures will be managed with the aim to have zero coal exposure within the next three to five years
- Within our Investec Limited business that involves the export of thermal coal
- That are in contravention of any international and/or local laws and conventions of the countries where Investec or the counterparty operate
- 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 activities 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.

We do **extra due diligence** in activities relating to:

- Drift net fishing in the marine environment using nets in excess of 2.5km in length
- Production or use of/trade in hazardous materials such as asbestos fibers and products containing polychlorinated biphenyls (PCBs)
- Production, use of/trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans.

Risk mitigation

We acknowledge that the financial risks from climate change present unique challenges and require a strategic approach to financial risk management.

Within our climate risk mitigation approach, we will:

- Assess that appropriate risk mitigation policies are put in place by our clients
- Consider and discuss climate-related aspects as part of the risk appetite annual review process.

Risk acceptance

Our risk acceptance considers 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.

Risk control and reporting

The tables below shows the size and scope of our exposures within climate-sensitive sectors.

Investec Limited	Loans and advances to customers 31 March 2022	Loans and advances to customers 31 March 2021
Agriculture	**0.93%**	0.96%
Construction	**0.56%**	0.59%
Leisure	**0.90%**	1.26%
Mining and resources	**0.50%**	0.78%
Real estate	**20.56%**	21.09%
Retailers and wholesalers	**2.03%**	1.66%
Transport	**1.48%**	2.09%
Utility Services	**3.06%**	2.43%
Total for these industries	**30.02%**	30.85%

Investec plc	Loans and advances to customers 31 March 2022	Loans and advances to customers 31 March 2021
Agriculture	**0.10%**	0.11%
Construction	**0.76%**	0.75%
Leisure	**0.58%**	0.78%
Mining and resources	**0.66%**	1.25%
Real estate	**16.34%**	17.01%
Retailers and wholesalers	**1.96%**	1.86%
Transport	**4.51%**	6.03%
Motor Finance	**5.19%**	4.44%
Utility Services	**4.25%**	5.18%
Total for these industries	**34.34%**	37.42%

We publicly report our exposure to high-risk industries as defined by the IFC and our exposure to fossil fuel at least semi-annually and more regular internal reviews in our various credit committees, including DLC SEC, DLC BRCC and the Group ESG Executive Committee.

Refer to page 118 in the metrics and targets section for our exposure to high-risk industries and pages 110 to 112 for exposure to fossil fuels within each geography.

Process for prioritising climate-related risks

We acknowledge at this stage that the Group's approach to prioritising climate-related risks is still a work in progress. Within our ESG screening process any climate-related risks will be flagged and assessed for sufficient mitigation measures in place. If insufficient mitigation measures are in place, the ESG screening team will advise not to proceed with the transaction. However, currently risk from climate change is considered on a case-by-case basis as part of the credit process and forms part of the general credit discussion.

Risk management within Wealth & Investment

The various investment teams and related committees are focused on the disclosure, measurement and educational elements with respect to the management of climate risks within Wealth & Investment.

Disclosure

The focus on the disclosure element is driven through our stewardship (voting and engagement) process. Our stewardship capabilities have been bolstered by recent appointments of dedicated stewardship resources both across South Africa and the UK. We utilise the services of Institutional Shareholder Services (ISS) who advise us on our voting, including climate-related resolutions. We are a CDP investor signatory as well as a signatory to Climate Action 100+ and are actively involved in engagement with these organisations.

Measurement

We have engaged the services of third-party providers (Clarity AI, ISS and Sustainalytics) who provide us with the ability to review various climate risk metrics in our managed and third-party investments. We are able measure various carbon metrics as well as assess the temperature alignment of our funds and portfolios on a look-through basis (Clarity AI). We measure the net contributions corporates make to the 17 UN SDGs. We assess the risk management of environmental risk by the various corporate management teams (Sustainalytics).

Education

There are educational campaigns both in the UK and South Africa to ensure our staff are able to understand climate risk, incorporate it into their investment decision making and comfortably direct discussions with our clients and investors.

Refer to page 80 for more information on education.

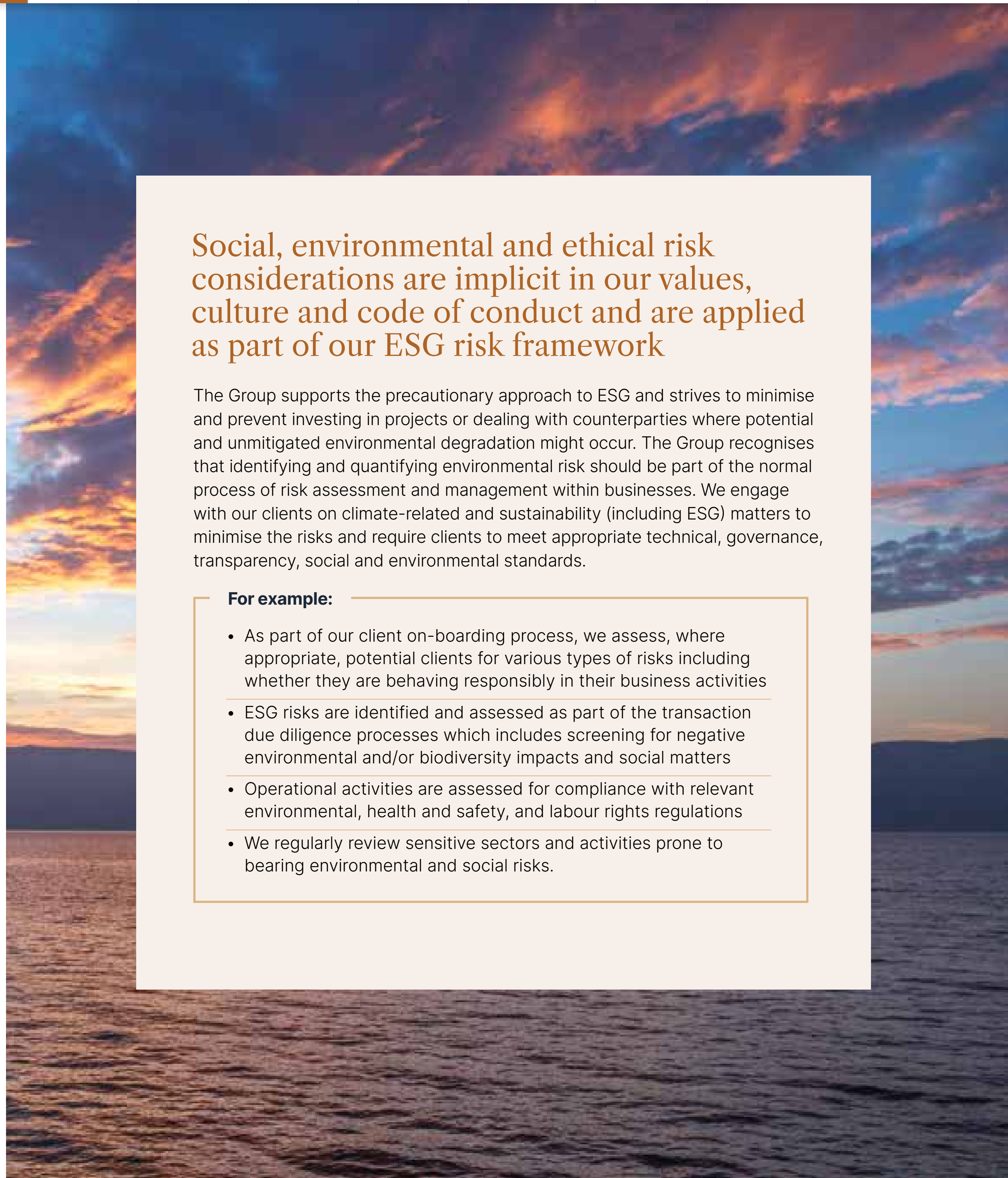
How our processes for identifying, assessing and managing climate-related risks are integrated in our overall risk management 3c

The Group's approach to integrating climate-related risks within our risk management structures are evolving as our knowledge on this subject increases. The Board and senior management identified in 2018 that climate risk is a principal risk that could potentially impact the safety and soundness of individual financial institutions and have broader financial stability implications for the banking system. We are now in the fifth year of our journey to integrate and embed climate-related risks within our risk management processes to capture the complexities, uncertainties, and interconnected consequences as well as the enormity of this critical component. We released our first TCFD report in 2020, achieving the minimum expectations for climate-related disclosures that were predominantly qualitative. We have expanded on this disclosure in 2021 with the addition of quantitative data within our high-risk sectors. During the financial year ending March 2022, we engaged with multiple stakeholders and have taken their recommendations into consideration. This includes disclosing more detailed information as well as forward looking expectations within the boundaries of the data limitations, multiple methodologies available and significant uncertainties we face in terms of climate-related risks.

In regards to our approach on the integration of climate-related risks we have:

- Included climate-related risks within our risk appetite framework
- Participated in climate-related stress testing exercises within the UK and South African regulatory environments
- Monitored the impact of fast-moving climate-related regulations within our various geographies
- Engaged with executives and our Boards on various climate-related topics
- Incorporated ESG metrics (including climate) within our executive remuneration policies.

Refer to page 17 in our governance section for our integration between committees and forums



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 climate-related and sustainability (including ESG) matters 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 which includes screening for negative environmental and/or biodiversity impacts and social matters
- 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.

Equator Principles

We 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 that they comply with such standards
- 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.

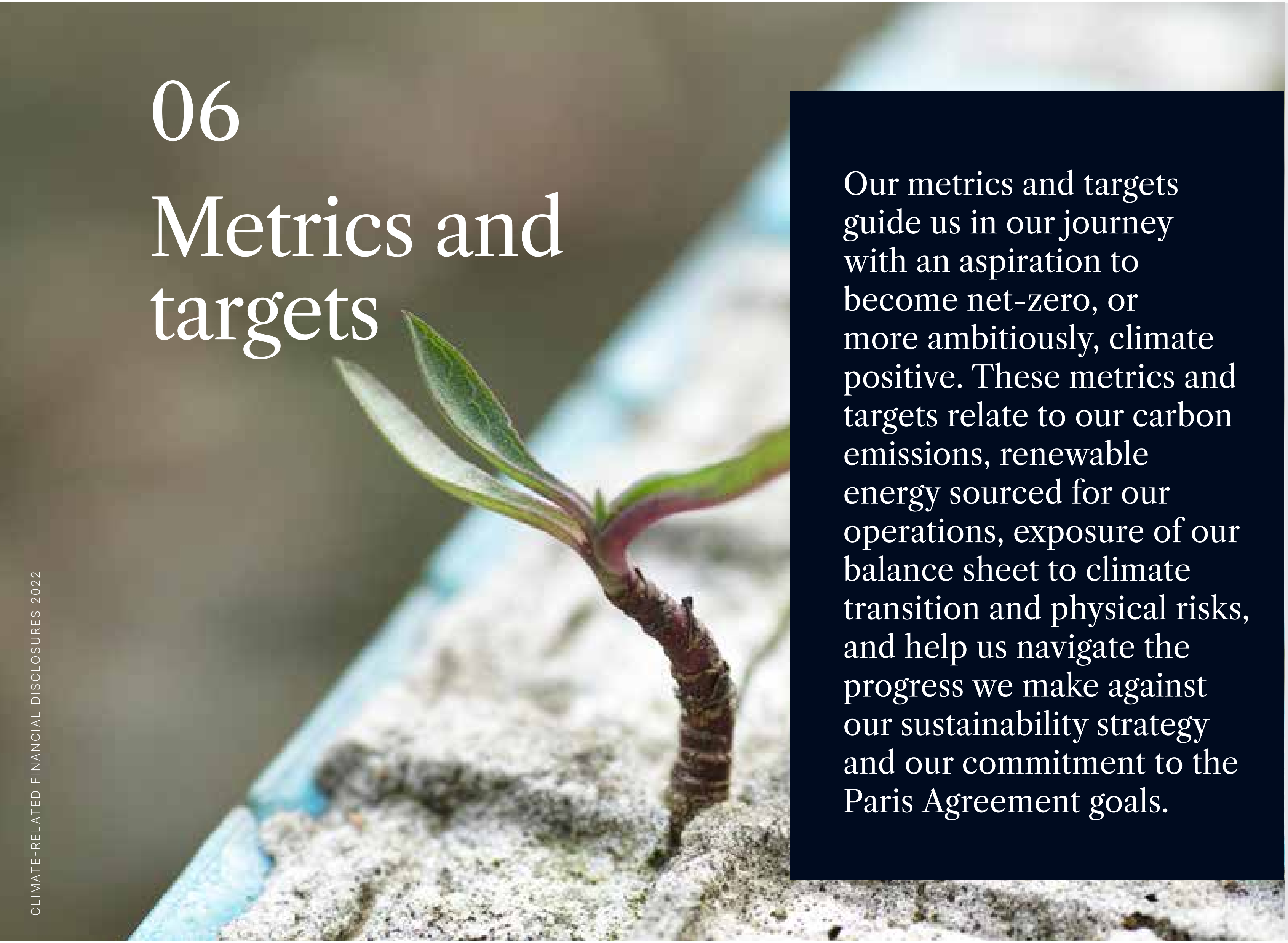
Equator Principles disclosures: power and infrastructure portfolio for Investec Group (including Investec Limited and Investec plc) – number of transactions

	31 March 2022				31 March 2021				31 March 2020			
	Category A	Category B	Category C	**Total**	Category A	Category B	Category C	**Total**	Category A	Category B	Category C	**Total**
Sector												
Mining	–	–	–	**–**	–	–	–	–	–	–	–	–
Infrastructure	–	–	–	**–**	–	–	4	4	–	–	–	–
Oil and gas	–	–	–	**–**	–	–	–	–	–	–	–	–
Power	–	9	1	**10**	–	4	6	10	–	5	3	8
Others	–	2	1	**3**	–	3	1	4	–	1	8	9
Total	–	**11**	**2**	**13**	–	7	11	18	–	6	11	17
Region												
Americas	–	7	1	**8**	–	3	6	9	–	4	3	7
EMEA	–	3	1	**4**	–	3	4	7	–	2	7	9
Asia Pacific	–	1	–	**1**	–	1	1	2	–	–	1	1
Total	–	**11**	**2**	**13**	–	6	11	18	–	6	11	17
Country designation												
Designated	–	11	1	**12**	–	7	11	18	–	6	11	17
Non-designated	–	–	1	**1**	–	–	–	–	–	–	–	–
Total	–	**11**	**2**	**13**	–	6	11	18	–	6	11	17

1

transaction in the past three years in non-designated countries which complied with the Equator Principles

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

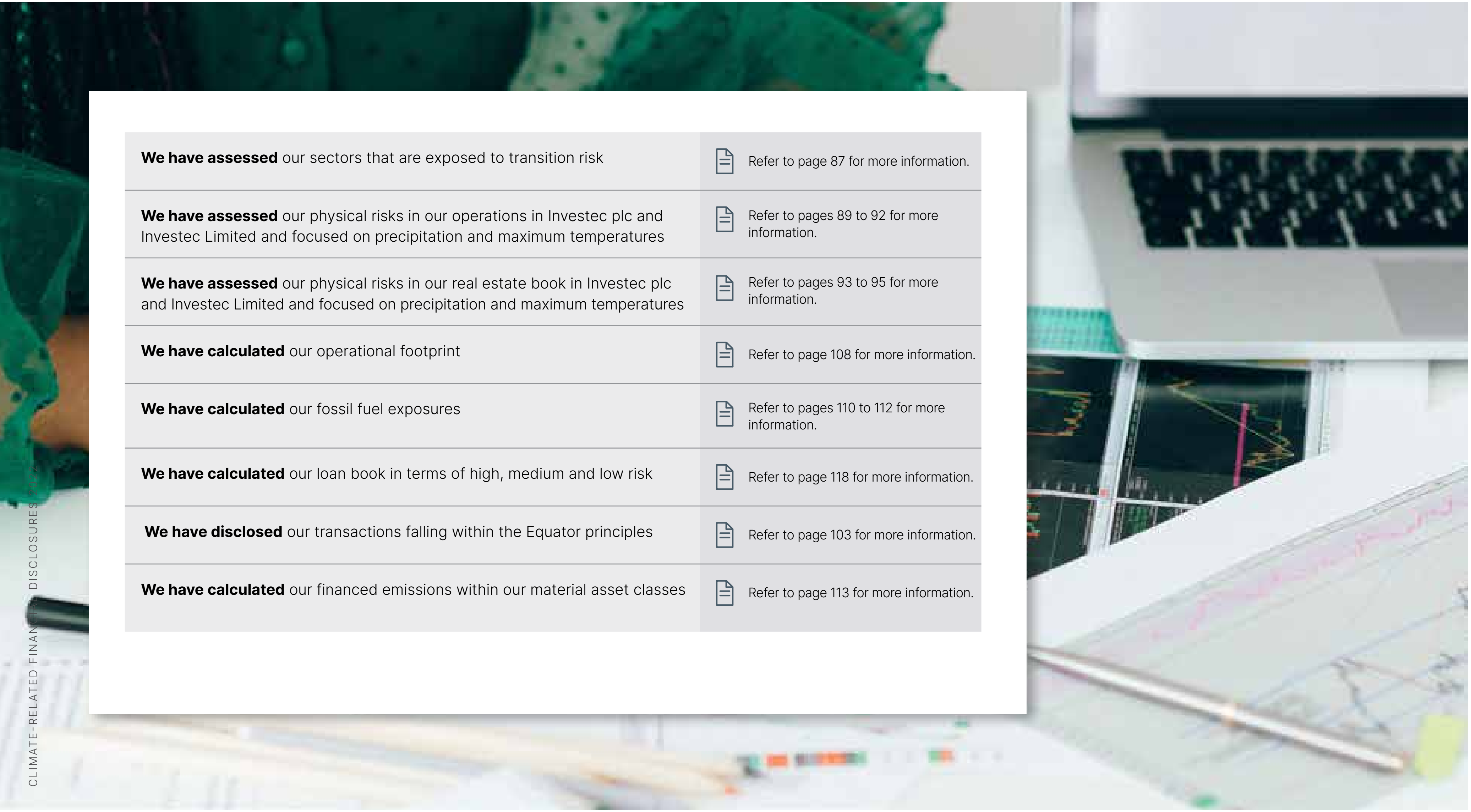


06

Metrics and targets

Our metrics and targets guide us in our journey with an aspiration to become net-zero, or more ambitiously, climate positive. These metrics and targets relate to our carbon emissions, renewable energy sourced for our operations, exposure of our balance sheet to climate transition and physical risks, and help us navigate the progress we make against our sustainability strategy and our commitment to the Paris Agreement goals.

Metrics used to assess climate-related risks and opportunities 4a



We have assessed our sectors that are exposed to transition risk	Refer to page 87 for more information.
We have assessed our physical risks in our operations in Investec plc and Investec Limited and focused on precipitation and maximum temperatures	Refer to pages 89 to 92 for more information.
We have assessed our physical risks in our real estate book in Investec plc and Investec Limited and focused on precipitation and maximum temperatures	Refer to pages 93 to 95 for more information.
We have calculated our operational footprint	Refer to page 108 for more information.
We have calculated our fossil fuel exposures	Refer to pages 110 to 112 for more information.
We have calculated our loan book in terms of high, medium and low risk	Refer to page 118 for more information.
We have disclosed our transactions falling within the Equator principles	Refer to page 103 for more information.
We have calculated our financed emissions within our material asset classes	Refer to page 113 for more information.

Our internal carbon price

Internal carbon pricing is a powerful tool the private sector can employ to reduce carbon emissions. It allows companies to assess the financial implications of their carbon emissions and encourage increased energy efficiency. Aligned with our net-zero commitment, we acknowledge that carbon risk is a reality we need to assess and price.

There is no international standard that can be followed to set an internal price on carbon. We have therefore chosen to use a shadow cost price to calculate a theoretical or assumed cost per ton of carbon emissions. This shadow price amounts to R148 per tonne of CO_2. This cost is carried centrally and then distributed and recovered from the wider business.

Our use of carbon credits

Investec's strategy towards carbon neutrality is first to avoid operational emissions, then reduce and minimize our operational impact and only then do we consider offsetting the remaining unavoidable emissions.

We make use of high-quality, ethical carbon credits, that not only have carbon removal merits, but that have direct impact on the Sustainable Development Goals.

Within our operations we source 100% of our energy usage from renewables through the purchase of renewable energy certificates. These certificates include:

South African Renewable Energy Certificates (zaRecs) for
22 327MWh
(23 589 tCO_2e)

International Renewable Energy Certificates (I-RECs) for
149MWh
(110.5tCO_2e)

Renewable Energy Guarantee of Origin – UK (REGOs) for
3 936MWh
(853tCO_2e)

Renewable Energy Certificates RECs for
99MWh
(15.2tCO_2e)

Large-scale generation certificates (LGCs) for
88MWh
(69.5tCO_2e)

Guarantee of Origins (GoOs) for
84MWh
(2.2tCO_2e) GoOs

The remaining unavoidable emissions were offset through the purchase of VCS certified carbon credits, to the value of 4 855tCO_2e. These carbon credits were sourced from Wonderbag, an initiative that is contributing positively the Sustainable Development Goals in particular:

As a result, we were able to achieve carbon neutrality within our Scope 1, 2 and operational Scope 3 emissions.

Scope 3 financed emissions

We have calculated our Scope 3 financed emissions within 6 asset classes. These emissions amount to 1.77mn tCO_2e.

In terms of our net-zero ambitions we aim to:

- minimise and manage our exposure to high-emitting industries, particular in fossil fuels
- manage and drive change towards low-carbon alternatives and
- work with our clients to help them with their net-zero climate ambitions.

While we are limited to the enabling environment provided by the jurisdictions in which we operate, we would expect to see a decrease in overall Scope 3 financed emissions in line with the decarbonising strategies of the relevant sector and country. We caution that this is not necessarily a decrease from one year to the next but rather over a period of time as each country and sector adjusts and implements their respective net-zero strategies.

Managing our impact on climate change within our operations (direct impact)

4b

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

Key achievements in FY 2022

Maintained carbon neutrality in our direct emissions for the fourth financial year as part of our commitment to ongoing carbon neutrality in our Scope 1, Scope 2 and operational Scope 3 emissions.

Areas of focus for FY 2023 and beyond

Assessing the transition plans of our clients who are in high emitting industries.

Work with and assist our clients in their net-zero carbon journey.

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

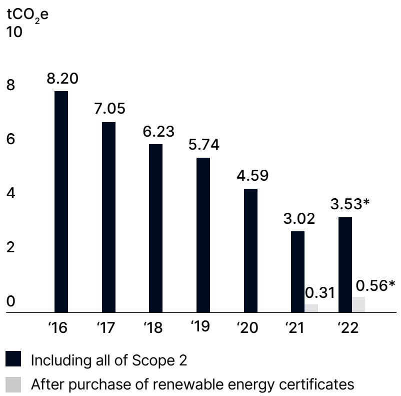
- Reducing energy consumption
- Reducing water usage
- Reducing overall waste
- Promoting sustainable procurement
- Increasing waste recycling rates
- Promoting sustainable travel
- Reducing single-use plastic.

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.

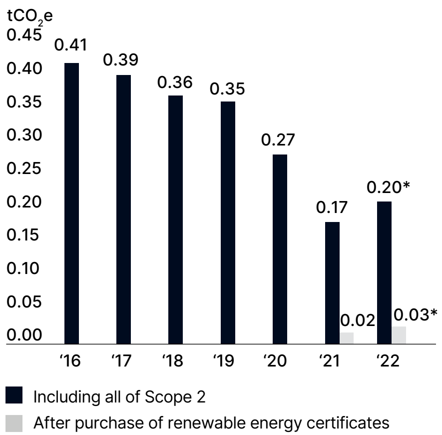
Breakdown of Group emissions

Over the past seven years, our intensity indicators have reduced. While there was an increase in FY22 as we return to business as usual we remain below pre-COVID-19 levels. We continue to find ways to reduce our environmental impact and offset what remains with credible and high-quality carbon credits.

Emissions per average headcount for the Group



Emissions per m² office space for the Group



** Increase as business activities resumes, in particular business travel.*

Managing our impact on climate change within our business

4b

We perform ESG screening and measure our financed emissions.

Key achievements in FY 2022

- Enhanced processes for ESG screening, measurement and reporting
- Measured our carbon emissions within our Scope 3 lending and investment portfolios using the Partnership for Carbon Accounting Financials (PCAF) methodologies
- Assessed the viability of net-zero commitments within our lending and investment portfolios.

Areas of focus for FY 2023 and beyond

- Automate ESG screening in Investec Limited's risk management process
- Assess the transition plans of our clients who are in high emitting industries
- Work with and assist our clients in their net-zero carbon ambitions.

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.

Assessment parameters

Consolidation approach
- Operational control

Emission factor data source
- DEFRA (2021), 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
- Reasonable assurance provided by KPMG for the year ended 31 March 2022 and limited assurance for the year ended 31 March 2021

Coverage
- Coverage of environmental information covers >95% of our business operations. Materiality set at 5%

Carbon footprint for the Group

			31 March 2022		31 March 2021				31 March 2020		
		Units	Consumption in units of measure	Tonnes of CO_2 equivalent	Consumption in units of measure	Tonnes of CO_2 equivalent	Variance in tonnes CO_2 equivalent	Notes	Consumption in units of measure	Tonnes of CO_2 equivalent	Variance in tonnes CO_2 equivalent
Scope 1				**184**		**349**	**(47%)**			**993**	**(82%)**
Energy	Natural gas	kWh	**237 093**	**43**	291 400	54	(20%)		949 625	175	(75%)
	LPG stationary	L	**5 537**	**9**	1 166	2	>100%	1	25 746	39	(78%)
	CO_2 purchased	kg	**154**	**–**	37	–	–		281	–	–
	Diesel	L	**34 283**	**86**	47 986	122	(29%)		137 934	358	(76%)
Refrigerant	Refrigerant	kg	**2**	**4**	74	111	(97%)	2	186	287	(99%)
Company vehicles	Vehicle fleet	km	**238 207**	**41**	346 341	60	(31%)		745 502	135	(69%)
Scope 2				**24 640**		**23 365**	**5%**			**29 151**	**(15%)**
Energy	Electrical energy consumption	kWh	**26 669 829**	**24 640**	25 991 259	23 365	5%		33 207 457	29 151	(15%)
Scope 3				**4 473**		**1 935**	**131%**			**10 420**	**(57%)**
Paper	Paper consumption	t	**38**	**36**	39	38	(4%)		283	272	(87%)
Waste	General waste	t	**182**	**83**	81	36	>100%	3	330	178	(54%)
Employee travel	Rail travel	km	**439 260**	**16**	84 164	3	>100%	3	2 992 773	122	(87%)
	Road business travel	km	**977 426**	**168**	613 189	105	60%	3	2 653 807	470	(64%)
	Taxi	km	**33 973**	**5**	17 042	3	78%	3	121 168	18	(70%)
	Commercial airlines	km	**9 690 134**	**2 819**	918 662	241	>100%	3	30 209 739	9 359	(70%)
Work-from-home emissions	Electrical energy consumption	kWh	**1 253 231**	**844**	1 438 012	941	(10%)		–	–	–
	Natural gas	kWh	**1 428 402**	**262**	1 626 111	299	(12%)		–	–	–
	LPG stationary	L	**155 037**	**241**	173 373	270	(11%)		–	–	–
Total operational emissions				**29 297**		**25 649**	**14%**	4	**–**	**40 564**	**(28%)**
Scope 3 financed emissions				**1 771 333***							
Total emissions				**1 800 630**					**–**		
No scope											
Water	Water consumption	kl	**71 174**		51 148		39%		91 346		(22%)
Recycled waste	Recycled waste	t	**244**		122		100%		600		(59%)
Intensity											
Emissions per average employee				**3.53**		3.02	17%			4.59	(23%)
Emissions per m² office space				**0.20**		0.17	17%			0.27	(25%)
Water consumption per average employee				**8.59**		6.02	43%			10.33	(17%)
Intensity excl Scope 2											
Emissions per average employee				**0.56**		0.31	91%				
Emissions per m² office space				**0.03**		0.02	91%				
Climate change mitigation											
Scope 2 zaRECs		MWh	**22 327**	**23 589**	21 838	22 192			–	–	
Scope 2 REGOs in the UK		MWh	**3 936**	**853**	3 650	851			–	–	
Wonderbag carbon credits				**4 855**		2 633				40 564	
Total emissions after mitigation				**(198)**		**(27)**				**–**	

* *Calculated using March 2021 as a baseline.*

Notes:
1. *Increase in LPG as we rely less on electricity for kitchens.*
2. *Decrease in refrigerant as we optimise refrigeraters.*
3. *Increase as business activities resumes, in particular business travel.*
4. *While we have seen an increase in emissions year-on-year, we are 28% down on emissions against 31 March 2020.*

Metrics and targets within our own operations 4b

We embrace our responsibility to understand and manage our own carbon footprint. We recognise that effective environmental management is an essential part of managing our carbon impact and are committed to operating an effective Environmental Management System (EMS) compliant with King IV™ in South Africa and ISO 14001 in our UK head office. Further to this, our EMS reporting tool allows us to track and manage our direct operational impact.

Metrics category	Description	Target	Target date	Commentary	Status
Governance metrics	Number of Board/Committee meetings per year in which climate-related issues have been a substantive agenda item (indication of incorporation of climate risk into governance)	Address climate-related issues at more than half of all our Board meetings	March 2022	For the financial year ended 31 March 2022, climate risk has been communicated in written format in all meetings. Refer to page 18	Achieved
	Number of events held per year to train Board members and management on climate-related issues (indication of level of understanding of climate change issues and at what level of seniority within the company)	100% of Board members attend climate-related training	March 2022	Board meetings were supplemented by presentations from internal and external parties, all of which were well accepted by the Board. The aim is to introduce targeted development to the Board over the next year.	Partially achieved
	Incorporate climate-related issues into executive remuneration (identifies use and alignment of financial incentives to improve company level resilience to climate change)	Incorporate climate-related metrics in executive remuneration	March 2021 – ongoing	We implemented a more holistic ESG framework linked to executive renumeration. Refer to pages 30 and 31	Achieved
Strategy metrics	Participation in UN memberships/external bodies/organisations/initiatives pursuing climate-related policy and/or advocacy initiatives (indicating engagement with policymakers on broader market risk)	Advocate and engage on climate-related issues	March 2021 – ongoing	We continue to participate in many environmental and climate-related initiatives and recently signed up to the Net-Zero Banking Alliance (NZBA). In addition, Investec Wealth & Investment is a member of Climate Action 100+. Refer to pages 123 to 131 for more information.	Achieved
	Analyse financed emissions within three out of six asset classes according to the PCAF methodologies (indicating the amount of emissions we finance within our lending and investment portfolio)	Calculate financed emissions	March 2022	We have analysed our financed emissions within our energy generation, real estate, motor finance, aviation finance, mortgages and listed equity portfolios (six asset classes). Refer to page 113 for more information.	Achieved
	Results of scenario analysis/stress testing expressed in terms of earnings or value-at-risk (indication that financial implications of climate-related risk/opportunity are understood)	Calculate value at risk	March 2024	We have analysed our value at risk relating to physical climate risk events within our real estate portfolio within Investec Limited and Investec plc. Refer to pages 93 to 95	Partially achieved
Emission-related metrics	Reducing our own impact on the environment and maintain net-zero carbon status in our direct operations (Scope 1, 2, and operational Scope 3)	Source the majority of electrical energy from renewable sources and achieving zero-carbon status in Scope 1, 2 and operational Scope 3	April 2021 – ongoing	We have sourced 100% of our operational energy usage from renewables through the purchase of renewable energy certificates. We have maintained carbon neutral status within our operations for the fourth financial year. Refer to page 108 for more information.	Achieved

Achieved | P Partially achieved | N Not achieved

Metrics and targets within our business 4b

Fossil fuel exposures

The transition to a net-zero 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, distribution and utilities) which go through a 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.

Target:

Within Investec plc, we have committed to achieve

net-zero coal

in the next three to five years.

Energy lending portfolio for Investec Group

An important aspect of our approach is a deliberate focus on financing infrastructure solutions that promote renewable and clean energy, stimulate economic growth and provide access to essential services. A transition away from fossil fuels needs to occur in a just and orderly way, while at the same time protecting the socio-economic considerations, especially in the developing economies where we have a presence.

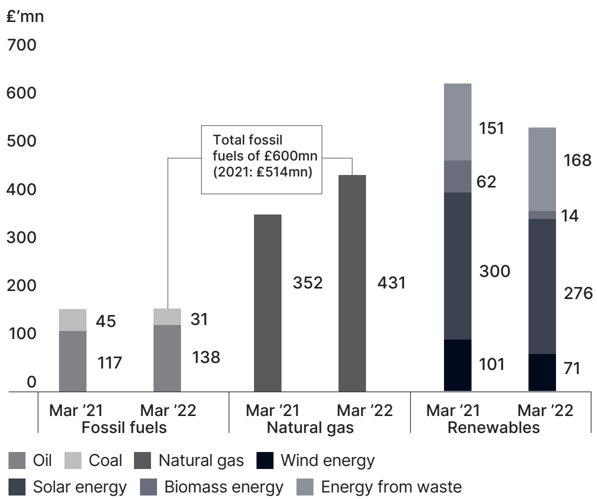
The International Energy Agency (IEA) has published the 10-Point Plan to reduce the EU's reliance on Russian gas, and a call for diversification of supply sources will likely have implications for the global gas market, particularly when other countries around the world are also seeking to progressively decarbonise. The IEA's 10-point gas plan sits alongside a 10-point plan to cut oil use in advanced economies, albeit that only one of the action points, on electric vehicles, has a direct link to electrification.

We focus on climate resilience as a priority for our businesses, including the communities we operate in. Over the past year, we screened all potential fossil fuel transactions and implemented our fossil fuel policy to ensure deliberate adherence to its guidelines. Within Investec plc, we have committed to achieve zero coal exposures in the next three to five years.

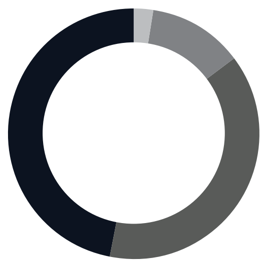
Over the past year, we have seen an increase in our total fossil fuel exposures as a result of an increase in our oil exposures in South Africa and our natural gas exposures in the UK as we move away from coal.

We are conscious that we operate on the African continent which severely lacks access to clean and renewable energy, in addition to a myriad of socio-economic needs. We are therefore aware that we may face fluctuations in our fossil fuel exposures from one year to the next as we navigate through this transition. These exposures are managed through a full due diligence process and adherence to our fossil fuel policy. We acknowledge the many opportunities within sustainable climate action and have strong expertise in this sector, especially in renewable infrastructure, and we will act on these opportunities where possible. The energy mix within Investec's energy portfolio incorporates various aspects of the value chain. This includes power generation, extraction activities, distribution, and utilities, as well as associated infrastructure. These activities consist of traditional drilling, supply and distribution of fuel, and infrastructure such as pipelines, wells, storage, and processing plants.

Energy lending portfolio for Investec Group



2022 Breakdown of Investec Group energy portfolio (%)



	2021	2022
Coal	4.0%	**2.7%**
Oil	10.4%	**12.2%**
Natural gas	31.2%	**38.2%**
Renewables	54.5%	**46.9%**

Natural gas increased as a result of the increase in natural gas in the Investec plc business

Coal as a % core loans and advances

0.10%

(2021: 0.17%)

Coal exposure as a % of total energy lending portfolio

2.74%

(2021: 4.0%)

Fossil fuels as a % of core loans and advances

1.99%

(2021: 1.92%)

Energy lending portfolio for Investec plc

Target: Within Investec plc we have a commitment to zero coal exposures in the next three to five years.

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.

The direction of travel across Europe is towards climate neutrality by 2050, with the European Commission (EC) having a net-zero goal, and the UK a legislated target. Interim targets along the longer-term pathway exist with the EC's Fit for 55 package of seeking to reduce net greenhouse gas emissions by at least 55% compared to 1990 levels, and the UK's commitment to a fully decarbonised electricity system by 2035.

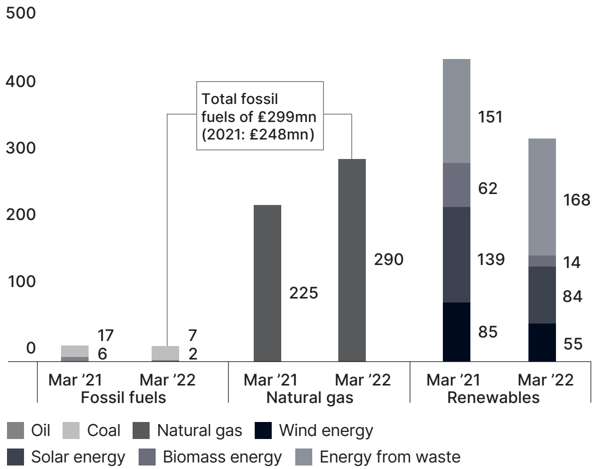
The Fit for 55 package comprises many component parts, of which energy is one. Targets include increasing the share of renewables in the EU energy mix to 40% in 2030 (vs. 19.7% in 2019), increasing electrification, tougher targets for energy efficiency, and reinforced sustainable bioenergy criteria. In the UK, existing ambitions include 40GW of offshore wind by 2030.

The crisis in the Ukraine, however, has heightened the importance of energy security and solving the energy trilemma of security of supply, decarbonisation, and cost is once again very much in the spotlight. In March 2022, the EC set out REPowerEU, a set of measures with a focus on retail prices, refilling gas storage, and cutting dependence on Russian gas. The latter encompasses more rooftop solar, heat pumps and energy savings, as well as speeding up renewables permitting, diversifying gas supplies, decarbonising industry, a hydrogen accelerator, and a doubling of the 2030 biomethane ambition. In the UK, an energy security strategy is expected imminently from the UK government, and a push for more renewables and nuclear are likely to be key cornerstones. Stronger policies from government will support a quicker transition to a low-carbon economy through enabling capital flows towards greener alternatives. This will provide more clarity on Investec's own net-zero transition pathways.

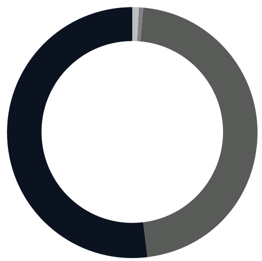
Over the past year, we have seen an increase in our total fossil fuel exposures as a result of an increase in natural gas as we move away from coal. Existing fossil fuel exposures are managed in accordance with our fossil fuel policy with a deliberate focus on minimising these exposures where possible. We may see an increase in natural gas as we transition to a zero-carbon world. Where opportunities exist, we will focus on financing infrastructure solutions that promote renewable and clean energy as we leverage our international expertise in this sector.

Energy lending portfolio for Investec plc

£'mn



2022 Breakdown of Investec plc energy portfolio (%)



	2021	**2022**
Coal	2.4%	**1.1%**
Oil	0.9%	**0.3%**
Natural gas	32.9%	**46.8%**
Renewables	63.8%	**51.8%**

Coal as a % core loans and advances

0.05%

(2021: 0.14%)

Coal exposure as a % of total energy lending portfolio

1.13%

(2021: 2.40%)

Fossil fuels as a % of core loans and advances

2.04%

(2021: 1.98%)

Energy lending portfolio for Investec Limited

Target: Investec Limited committed to zero export coal

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. Natural gas may increase in the short to medium term as the country shifts away from coal and builds up renewable sources.

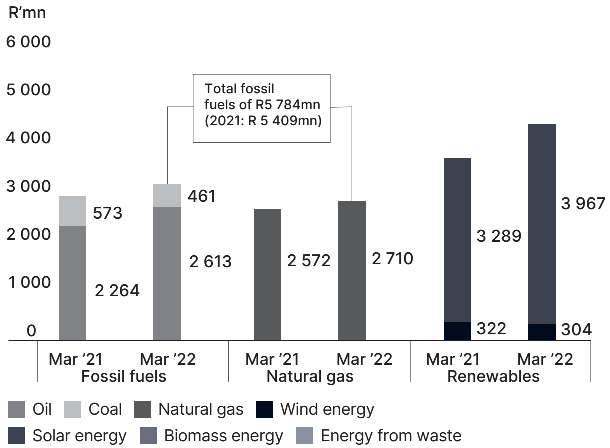
South Africa needs to transition its electricity power system from a coal dominated one towards a path to net-zero by 2050. The power system is on the cusp of huge and rapid change, with some estimating that the total cost of the transition for the country during the coming three decades at being over R2 trillion. International support, for example the announcement after COP26 of the $8.5bn funding package from a group of countries like the EU, UK and US are important catalytic opportunities for South Africa but ultimately it is going to be domestic investors and especially domestic banks that will finance the majority of the transition.

The power system, in addition to being coal dominated, is also not currently designed for the transmission requirements of the future, nor the necessary auxiliary technologies like battery storage, both of which will be required to allow a move to the future. This future will be dominated by photovoltaic (PV) and wind power produced at massive utility scale and delivered to Eskom, produced onsite or wheeled across the grid for corporate buyers or smaller rooftop power for SMMEs and households. Eskom has advised that most of this new capacity will have to come from the private sector while it concentrates on building approximately 8 000km of new transmission grids and associated substations.

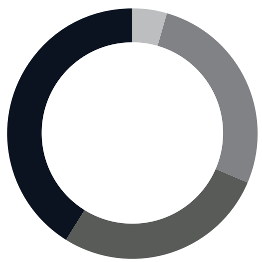
The 100MW new higher limit for licencing of self- and wheeled-generation for corporates during 2021 was an example of where opportunities for a shift to more corporate power projects became possible but where work is still required to ensure that the regulator, Eskom and other parts of government can come together with financiers to realise such projects. While the path to this future is necessary to meet South Africa's commitments to net zero, and also to ensure domestic energy security, job maximisation and industrialisation opportunities for South Africa, to date is slow.

We have seen a decrease in our coal exposure over the past year but are taking a cautious approach due to the needs and dependency of a developing economy on fossil fuels. Where possible we will manage this exposure against our stringent fossil fuel policy while taking the socio-economic factors and the country's ambitions towards a net-zero future into consideration. Where opportunities exist, we will focus on financing infrastructure solutions that promote renewable and clean energy as we leverage our international expertise in this sector.

Energy lending portfolio for Investec Limited



2022 Breakdown of Investec Limited energy portfolio (%)



	2021	2022
Coal	6.3%	**4.7%**
Oil	25.1%	**26.7%**
Natural gas	28.5%	**27.7%**
Renewables	40.1%	**40.9%**

Coal as a % core loans and advances
0.15%
(2021: 0.20%)

Coal exposure as a % of total energy lending portfolio
4.71%
(2021: 6.30%)

Fossil fuels as a % of core loans and advances
1.92%
(2021: 1.86%)

Our financed emissions 4b

The table below summarises our calculated emissions from our lending and investing activities. Information on the method of calculation and assumptions used are shown in the section that follows as well as explanations of portfolios that have not been covered in this year's calculations.

Baseline financed emissions as at 31 March 2021

tCO_2e	Investec Group	Investec plc	Investec Limited
Commercial real estate	905 673	27 498	878 175
Residential real estate	381 372	89 988	291 384
Total lending collateralised by property	**1 287 045**	**117 486**	**1 169 559**
Mortgages	352 381	12 616	339 765
High net worth motor vehicle finance	40 001	–	40 001
Total high net worth mortgages and motor vehicle finance	**392 382**	**12 616**	**379 766**
Small ticket assets finance	**27 351**	**–**	**27 351**
Passenger Vehicles	7 797	–	7 797
Freight Vehicles	19 555	–	19 555
Motor finance	59 346	59 346	–
Aviation finance	1 431	1 266	165
Power and infrastructure finance	2 125	1 784	341
Total corporate and other lending	**90 253**	**62 396**	**27 857**
Total emissions in lending activities	**1 769 680**	**192 498**	**1 577 182**
Total emissions in investment activities (listed investments)	**1 653**	**–***	**1 653**
Total Scope 3 financed emissions	**1 771 333**	**192 498**	**1 578 835**

* *Investec plc's listed investments as at 31 March 2021 were £10mn and considered immaterial for emission calculations.*

We remain cautious in our approach as we have faced many challenges with regards to data availability resulting in many assumptions and estimates being applied, that are highly likely to change over time especially over the long time frames used in climate analytics.

This can result that reported emissions may increase or decrease over time as a function of improved data availability or methodologies. In addition, comparison between institutions should be approached with caution as different institutions may use different datasets, assumptions and methodologies.

Financed emissions within our lending activities

Translating portfolio alignment and decarbonisation into active portfolio management steering is a three-step process:

1. Calculating actual financed emissions. We have used our portfolio exposures for the **year ended 31 March 2021** to calculate our baseline for our proportion of financed emissions within our material asset classes
2. Calculating how our financed emissions should decrease over time given a benchmark climate scenario to align with the Paris Agreement goals. We have explained the benchmarking that we used on pages 61 and 69 of this report
3. Implementing strategies and management actions to steer the portfolio to meet the decarbonisation targets has been explained on pages 62 to 65, 70 to 73, 76 and 79 in this report.

This section provides the outcome of step 1, being the calculation of our actual financed emissions within our material asset classes. It shows the percentage of the portfolio covered and explains where required what has been omitted from the emissions calculations.

We acknowledge that this is the first time we are disclosing this level of data, with many data challenges faced regarding data availability. This process is not perfect, however we continue to be active participants in various working groups within PCAF, where we are working together as a financial sector to:

- advocate for greater data transparency
- improve the collection and accuracy of the data and
- refine the methodologies within each asset class.

In addition, we welcome stakeholder feedback to improve the accuracy, relevance and transparency of the data we are disclosing.

Financed emissions within our energy sector

The PACTA methodology was used for calculating the financed emissions for our energy generation portfolio.

For the calculation of our emissions, we have used our exposures for:

- upstream oil and gas
- coal mining and
- power generation.

The application of PACTA thus depends on the identification of the loans associated with each sector and the ALD underpinning it. We have used the Nomenclature of Economic Activities (NACE) codes (as recommended by PACTA) to identify the sector of our exposures. We mapped our assets to the respective physical assets in the PACTA toolkit (mapping performed in the software and physical assets provided in the PACTA for Banks dataset).

Energy lending portfolio	Investec Group	Investec Limited	Investec plc
Gross core loans at 31 March 2021	£1 128mn	R9 020mn	£685mn
% of book covered	83.1%	100%	72.1%
Absolute financed emissions	2 125 tCO_2e	341 tCO_2e	1 784 tCO_2e
Emission intensity	n/a	441 $kgCO_2e/MWh$	421 $kgCO_2e/MWh$

Financed emissions within our residential and commercial real estate portfolios

We used the PCAF methodology to calculate financed emissions within our residential and commercial real estate portfolios.

The table below shows our exposure to residential and commercial real estate portfolios within the Investec Group for the **year ended 31 March 2021.**

Commercial real estate	Investec Group	Investec Limited	Investec plc
Gross core loans at 31 March 2021	£3 950mn	R51 400mn	£1 416mn
% of book covered	94%	91%	100%
Comments on excluded exposures	We acknowledge that a portion of the book has been excluded which relates to our property finance activities which will be included in the next financial year.		
Absolute financed emissions	905 673 tCO_2e	878 175 tCO_2e	27 498 tCO_2e
Emission intensity	n/a	177 $kgCO_2e/m^2$	58$kgCO_2e/m^2$
PCAF data quality score	Score 4 (option 2b): Estimated building energy consumption per floor area		

Residential real estate	Investec Group	Investec Limited	Investec plc
Gross core loans at 31 March 2021	£1 103mn	R8 040mn	£710mn
% of book covered	87%	62%	100%
Comments on excluded exposures	We recognise that a large portion of the book has been excluded which relates to our property finance activities which will be included in the next financial year		
Absolute financed emissions	381 372 tCO_2e	291 384 tCO_2e	89 988 tCO_2e
Emission intensity	n/a	202 $kgCO_2e/m^2$	268 $kgCO_2e/m^2$
PCAF data quality score	Score 4 (option 2b): Estimated building energy consumption per floor area		
Comments on data quality score	Due to lack of data availability on actual building energy consumption we used Score 4 (option 2b) to calculate our financed emissions within Investec Limited and Investec plc. **Within Investec Limited,** we welcome the mandatory display of EPCs that has been introduced, however, to move to a higher data quality score, these EPCs need to be made available to financial institutions as we have seen in the UK. **Within Investec plc,** we are working towards improving our data quality by collecting actual building energy consumption (i.e through metered data).		

Financed emissions within our mortgage portfolio

We used the PCAF methodology to calculate financed emissions within our mortgage portfolios.

Mortgages	Investec Group	Investec Limited	Investec plc
Gross core loans at 31 March 2021	£7 201mn	R81 627mn	£3 193mn
% of book covered	93%	99%	85%
Comments on excluded exposures	**Within Investec Limited,** we have the excluded 1% of our mortgage book is in Mauritius. We aim to include this in the next year. **Within Investec plc,** we have calculated the majority of financed emissions where data was available. We aim to improve on our data collection process to increase the percentage coverage in the next year.		
Absolute financed emissions	352 381 tCO_2e	339 765 tCO_2e	12 616 tCO_2e
Emission intensity	n/a	50 $kgCO_2e/m^2$	21.63 $kgCO_2/m^2$
PCAF data quality score	n/a	Score 5 (option 3): Estimated building emissions based on number of buildings	Score 3 (option 2a): Estimated building emissions based on floor area
Comments on data quality score	**Within Investec Limited,** we are working to source actual square meterage within our mortgage portfolio which will improve our data quality score. **Within Investec plc,** we are working towards collecting actual energy consumption (i.e. metered data) within our mortgage portfolio which will move our data to a better data quality score.		

Financed emissions with our motor vehicle finance portfolio

We used the PCAF methodology to calculate financed emissions within our motor vehicle finance portfolio's.

Motor vehicle finance	Investec Group	Investec Limited	Investec plc
Gross core loans	£236mn	R3 775mn	–
% of book covered	87%	87%	n/a
Absolute financed emissions	40 000.56 tCO_2e	40 000.56 tCO_2e	n/a
Emission intensity	208.23gCO_2e/pkm	208.23gCO_2e/pkm	n/a
PCAF assumption level	Score 5 (option 3b): Estimated vehicle unspecific emissions		
Comments on data quality score	Due to lack of data availability on motor vehicles we have used Score 5b. We are working towards gathering data on vehicle type and regional estimated statistics on distance travelled which will move us to Score 4 (option 3a).		

Financed emissions with asset finance – motor vehicle fleet portfolio

Motor vehicle fleet	Investec Group	Investec Limited	Investec plc
Gross core loans	£763mn	R2 474mn	£524mn
% of book covered	97.90%	93.44%	100%
Absolute financed emissions	86 697 tCO_2e	27 351.11 tCO_2e	59 346.38 tCO_2e
Emission intensity – motor fleet	n/a	n/a	78.71 gCO_2e/pkm
Emission intensity for asset finance – passenger vehicles	n/a	13.68 gCO_2e/tkm	n/a
Emission intensity for asset finance – passenger vehicles	n/a	14 gCO_2e/pkm	n/a
PCAF assumption level	Score 3 (option 2b): Estimated vehicle-specific emissions freight vehicles: Score 4 (option 3b): Estimated vehicle – unspecific emissions		
Comments on data quality score	Due to lack of data availability on actual vehicle fuel consumption we have used Score 3 (option 2b) for passenger vehicles and Score 4 (option 3b) for freight vehicles. We are working towards collecting vehicle-specific emissions data which will assist in improving the data quality score to Score 2 (Option 2a).		

Financed emissions within asset finance – aviation portfolio

We used the AWG methodology to source emissions for our aviation portfolio. A key challenge experienced in calculating our aviation portfolio emissions was the lack of aircraft-specific flight information, such as the number of flight hours and cycles per annum. The lack of mechanisms in place to monitor and record aircraft-specific flight information, including the direct and actual GHG emissions is a sector-wide challenge within aviation. As more consistent and accurate data becomes available and existing methodologies are widely adopted and refined, more precise emission estimates will be generated to streamline aviation specific emission reduction strategies.

There is no standard currently issued by the PCAF methodology to calculate financed emissions within aviation portfolios, however, the financed emissions were derived based on the proportional share of lending according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting standard.

Motor Aviation fleet	Investec Group	Investec Limited	Investec plc
Gross core loans	£572mn	R3 636	£393
% of book covered	96.27%	88.3%	100%
Comments on excluded exposures	Exposure with no availability of aircraft specific data were excluded for both Investec plc and Investec Limited.		
Absolute financed emissions	1 431 tCO_2e	165 tCO_2e	1 266 tCO_2e

Financed emissions within our investment activities

Listed investments

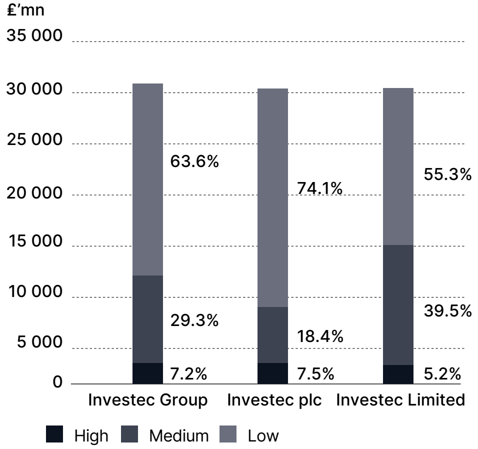
We have used the PCAF methodology to calculate financed emissions within listed investment portfolios. As per the PCAF methodology this asset class includes all listed corporate bonds and all listed equity for general corporate purposes (i.e. unknown use of proceeds as defined by the GHG Protocol) that are traded on a market and are on our balance sheet. As recommended by the PCAF methodology we have used absolute Scope 1 and Scope 2 emissions across all sectors for our investments which were sourced from Bloomberg.

	Investec Group	Investec Limited	Investec plc
At 31 March 2021	£230mn	R4 490mn	£10mn
% of book covered	92.0%	96.3%	–
Comments on excluded exposures	**Within Investec Limited** we have not calculated 3.7% of our portfolio due to data not being available for these listed investments. **Within Investec plc** we have excluded the £10mn as this was seen as immaterial.		
Absolute financed emissions (tCO_2e)	1 653	1 653	–
Emission intensity (value of investment /attributable emissions)	0.38	0.38	–
PCAF assumption level	Score 1 (option 1a) used for 95.6% Score 1 (option 1b) used for 0.7%		
Comments on assumption level	**Within Investec Limited** we have used the highest data quality scores according to the PCAF methodology for our assumptions.		

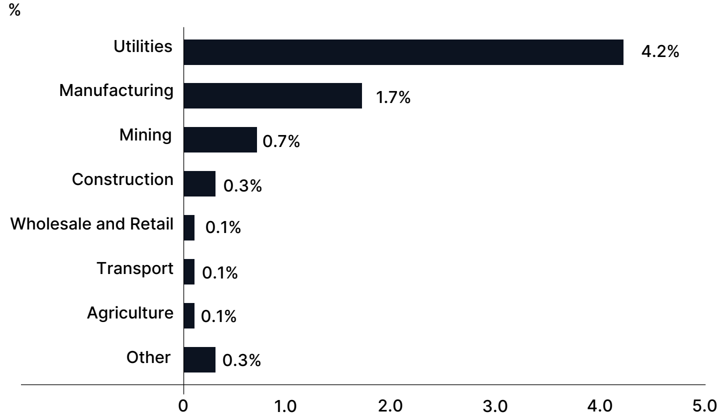
ESG breakdown of our loan book

We have assessed our core loans and advances portfolio and 63.6% of the exposures are in low-risk industries. Within the higher risk industries, we have analysed our exposures on a transactional level, which shows that a maximum of 7.2% would fall into high-risk classification according to the IFC guidelines.

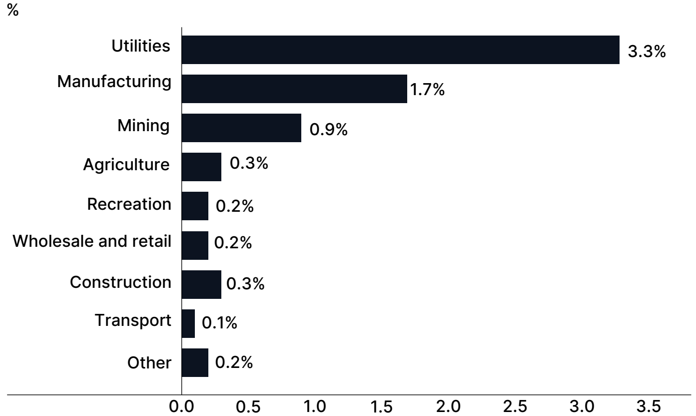
ESG risk level for Investec Group



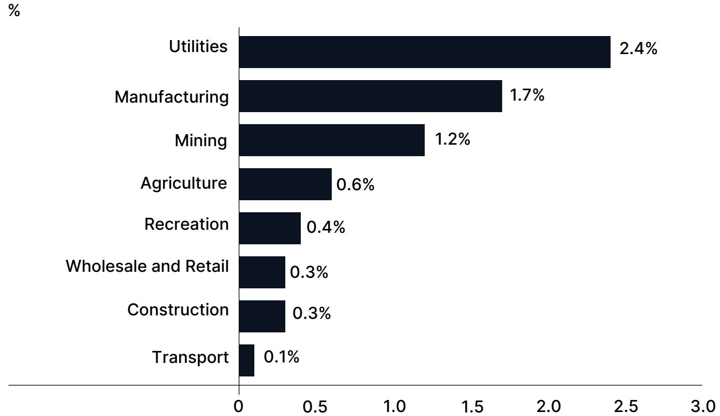
High-risk* industry breakdown Investec plc



High-risk industry breakdown for Investec Group



High-risk* industry breakdown Investec Limited



* *As defined by the International Finance Corporation (IFC).*

Only
7.2%
of our loan book is within high-risk* industries

ESG risk assessment

We continue to enhance our screening process across all our business activities. Transactions are classified according to the World Bank IFC guidelines into high, medium and low risk.

High risk: Proposed funding or investment is likely to have significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented.

Medium risk: Proposed funding or investment is likely to have potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Low risk: Proposed funding or investment is likely to have minimal or no social or environmental impacts. Primarily services, consulting, training and education, trading, retail sales, etc.

Once a transaction has been identified as being in a high-risk industry, these activities go through a comprehensive due diligence process performed by the Group ESG team.

07 Future plans

"For too many years the world has procrastinated in taking the urgent action required to halt the accelerated impact of climate change. Future generations deserve a healthy and sustainable planet. It is now up to us all to make that happen."

Tanya dos Santos –
Global Head of Sustainability

Our progress and future plans

	Governance	Strategy	Risk management	Measurement
Achievements in prior years	• Established a Group ESG Executive Committee to align and monitor the Group's climate action • Assigned Board responsibility and oversight for climate-related risks and opportunities • Assigned senior management responsibility for climate-related risks and opportunities • Deepened the ESG skills of the DLC SEC.	• Acknowledged the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C compared to pre-industrial levels and of pursuing efforts towards limiting it to 1.5°C • Created a sustainable finance framework • Launched a number of ESG and climate-specific products and services.	• Evaluated our lending and investment portfolios for climate-related risks and opportunities • Automated ESG screening incorporated into the Investec plc risk management process.	• Achieved carbon neutral status across our global operations for direct emissions and committed to ongoing carbon neutrality across all operations • Joined PCAF to collaborate with peers measuring Scope 3 financed emissions.
Achievements for the financial year end March 2022	• Became a member of the Net-Zero Banking Alliance (NZBA) • W&I submitted their first UN PRI report • W&I joined Climate Action 100+ • Implemented a more holistic ESG framework linked to executive remuneration • Tabled a voluntary climate resolution at the August 2021 AGM, receiving 99.9% support.	• Assessed financed emissions in material asset classes within our lending and investment portfolios • Assessed impact of climate-related risks and opportunities in our businesses • Collaborated on climate-related disclosures with stakeholders, for example, through PCAF • Increased engagement within W&I with existing companies • W&I increased engagement on climate-related matters with the boards of companies.	• Participated in the SARB climate-related stress tests for capital, and followed the BoE stress test guidelines • Assessed climate-related risks within our operations • Strengthened our climate focus in the Investec plc and Investec Bank plc (IBP) risk appetite • Reviewed and approved Investec plc and IBP's zero coal ambition in the next three to five years.	• Measured the carbon intensity within material asset classes for our Scope 3 lending and investment portfolios using the PCAF and PACTA methodologies • Assessed net-zero pathways according to the SBTi and PACTA, and evaluated the viability of the suggested pathways within our investment and lending portfolios.
Looking forward	• Provide targeted development to the Board, executives, management and staff where skills are required or where skill gaps are identified • Engage with stakeholders on our disclosures to get feedback on how we can improve our governance and oversight • Stronger focus on climate-related and sustainability (including ESG) matters in the DLC BRCC.	• Further engagement with our clients to assist them in their net-zero carbon ambitions • Continue providing innovative climate-related product offerings • Review and assess the integration of climate-related matters into business strategy • Monitor the progress in terms of the Group's net-zero carbon ambition • Continue to strengthen the Group's climate-related and sustainability disclosures.	• Continue to increase our focus on climate-related and sustainability (including ESG) risks • Implement automated ESG screening, measurement and reporting within our South African operations • Review developments with regards to climate-related disclosure guidance specifically recommendations by the International Sustainability Standards Board (ISSB) and the Financial Reporting Council (FRC) • Enhanced focus on reporting on climate-related risks.	• Engage with stakeholders to get feedback on how we can improve our measurement and methodologies used • Continue to monitor progress on the Group's net-zero carbon ambitions • Continue to assess climate scenarios in line with industry recommendations.

08 Rankings, ratings and industry participation

Although we are not driven by awards and recognition, Investec participates and has maintained its inclusion in select world-leading indices. These indices have been designed objectively to measure the performance of companies that meet globally recognised corporate responsibility standards.

We are proud to continue to be included in a number of world-leading indices.

Included in the STOXX Emerging Markets 1500 ESG-X and the STOXX Emerging Markets Total Market Mid ESG-X

Included in the FTSE4Good Index

Top 30 in the FTSE/ JSE Responsible Investment Index

Top 1% scoring AAA in the financial services sector in the MSCI Global Sustainability Index

Maintained a B rating against an industry average of B

Top 13% of assessed companies in Sustainalytics' global ESG research universe as of May 2021

Top 20% of diversified finance services.

Rated Prime – absolute best-in-class approach

Top 15% in the global financial services sector of the Corporate Sustainability Assessment (CSA) Dow Jones

Awards

Awarded two Best Deals 2022 by GTR for the €600mn Ghana Western Rail transaction and the €220mn Western Regional Hospitals transaction

Awarded an inaugural Industry Achievement Award by GTR for our role in co-chairing the production of a white paper on how the $250bn export finance industry can help deliver on the UN SDGs

Awarded a Perfect 10 Award by TXF for Best African Export Finance Deal 2022: for the Ghana Western Regional hospitals transaction

Certifications

Investec Limited

- Received a 4-star **Green Building Council of South Africa (GBCSA)** certification in March 2020 which expires in February 2023. We are currently undergoing a recertification period.

Investec plc

- Extended our **Environmental Management System's** certification to international environmental standard ISO 14001 from our UK head office, that was first achieved in 2012, to across 23 of our UK, Ireland and Channel Island offices
- Received recertification of our **Energy Management System** to international energy standard ISO 50001 for the next three years across our UK and Channel Island offices
- Retained certification to the **Carbon Trust Waste Standard** for our UK head office's waste management system for demonstrating achievement in managing and reducing waste output and improving resource efficiency.

Industry participation

Investec Group

Initiative/membership/reporting	Objective	How we engage and participate
	Aim to mobilise a global movement of sustainable companies and stakeholders to create the world we want. **UN Global Compact supports companies to:** • Do business responsibly by aligning their strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption, and • Take strategic actions to advance broader societal goals, such as the UN SDGs, with an emphasis on collaboration and innovation	Investec has been a participant since 2012 and we annually report our commitment through the Global Compact Communication of Progress (COP). Having previously supported the UN Global Compact Young SDG Innovators programme in South Africa, in the past year we supported the same programme in the UK. This programme gives young talent within the organisation the opportunity to collaborate and accelerate business innovation towards the SDGs
	An alliance of 30 CEs across the world's investment and business community that are committed to increase their contribution to the achievement of the SDGs. The members of the UN Global Investors for Sustainable Development (GISD) Alliance work together, harnessing their insights as private sector leaders, to advise on removing impediments and implementing solutions for scaling up long-term investment for sustainable development	Our CE, Fani Titi, has personally committed as one of 30 CEOs from financial institutions around the world who was invited to join the UN GISD Alliance. **We actively participate in the working groups and commit to:** • Do business responsibly by aligning strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption, and • Take strategic actions to advance broader societal goals, such as the UN SDGs, with an emphasis on collaboration and innovation
	The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity	We support the SDGs and annually report on our progress against our two impact SDGs being SDG 13 (climate-action) and SDG 10 (inequality). **These impact SDGs are supported by our six core SDGs:** • SDG 4: Quality education • SDG 6: Clean water and sanitation • SDG 7: Affordable and clean energy • SDG 8: Decent work and economic growth • SDG 9: Industry, innovation and infrastructure • SDG 11: Sustainable cities and communities

Industry participation continued

Investec Group continued

Initiative/membership/reporting	Objective	How we engage and participate
PCAF Partnership for Carbon Accounting Financials	The objective of the Partnership for Carbon Accounting Financials (PCAF) is to form a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the greenhouse gas emissions associated with their loans and investments	We actively engage in PCAF's UK and Africa working groups on climate disclosure specific to financial institutions. • Within the UK, we participate in the residential lending working group • Within Africa, we participate in the oil and gas working group
UNEP FINANCE INITIATIVE	The United Nations Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development. UNEP FI works with more than 400 banks, insurers, and investors and over 100 supporting institutions to help create a financial sector that serves people and the planet, while delivering positive impacts	We are a signatory to the UNEP FI
UNEP FINANCE INITIATIVE PRINCIPLES FOR RESPONSIBLE BANKING	The UN Principles for Responsible Banking (UN PRB) created a unique framework for ensuring that signatory banks' strategy and practice align with the vision the society has set out for its future in the SDGs and the Paris Climate Agreement. The framework consists of six principles designed to bring purpose, vision and ambition to sustainable finance The **UN PRB Academy** have developed an online learning academy to support implementation of the Principles for Responsible Banking	We have submitted our second report according to the UN PRB principles Our Group sustainability lead, Melanie Janse Van Vuuren, is actively contributing to the curriculum and implementation around a training strategy through the development and delivery of online learning courses. This curriculum will cover the key areas of knowledge and understanding relating to sustainability required by staff in financial institutions, for existing and aspiring signatories of the UN PRB
CDP DISCLOSURE INSIGHT ACTION	CDPs (formerly known as the Carbon Disclosure Project) climate change programme aims to reduce companies' greenhouse gas emissions and mitigate climate change risk. CDP requests information on climate risks and low carbon opportunities from the world's largest companies on behalf of over 800 institutional investor signatories with a combined $100 trillion in assets	We have been reporting to the CDP climate change response since 2009 • In 2013 we received CDP gold recognition status for a score of A- and were included in the CDP Leadership Index (top 11 in South Africa across all sectors) • Currently we have a B score against an industry average of B
World Benchmarking Alliance	The objective of the World Benchmarking Alliance (WBA) is to build a movement to measure and incentivise business impact towards a sustainable future that works for everyone. The WBA has set out to develop transformative benchmarks that will compare companies' performance on the SDGs	We are a member of the WBA and participated in the initial public stakeholder consultation in the Financial System Benchmark methodology

Investec Group continued

Initiative/membership/reporting	Objective	How we engage and participate
Institute of International Finance	The Institute of International Finance (IIF) is the global association of the financial industry, with more than 450 members from over 70 countries. Its mission is to support the financial industry in the prudent management of risks, to develop sound industry practices, and to advocate for regulatory, financial and economic policies that are in the broad interests of its members and foster global financial stability and sustainable economic growth	We are a member of the IIF and participated in the working group focused on providing a standardised template for TCFD disclosures for banks. We also contributed to the TCFD report playbook by providing input and feedback to the publication
ICC International Chamber of Commerce The world business organization	The International Chamber of Commerce (ICC) set up a Global Export Finance Committee Sustainability Working Group (ICC-SWG) in 2018, with the objective to grow the share of sustainable export finance and showcase how the industry can contribute to global challenges. This whitepaper is an important output of the working group. **This white paper has two important objectives:** • To provide a baseline of the industry's current practices and priorities in regards sustainable export finance • To provide policy and product recommendations that, if implemented, will help grow the flow of sustainable export finance	Chris Mitman (Head of Investec plc Export and Agency Finance), is a founding member of the ICC Export Finance Committee which was established to represent the global export finance banking industry in its engagement with the Berne Union, regulators, and the OECD. He is also co-chair of the ICC Sustainability Working Group focused on growing the sustainable funding activities of the export credit market
united for wildlife	The United for Wildlife (UfW) Taskforce have been working to facilitate collaboration between the transport sector, finance sector and law enforcement to prevent wildlife trafficking across the world. The UfW Taskforce has grown from 12 private sector companies in 2016 to over 250 global partnerships, representing large proportions of the shipping, airline, and financial industries	We are a signatory to UfW's Financial Taskforce to combat illegal wildlife trade (part of the Royal Foundation) and a participant in UfW's Taskforce for Financial Services on illegal wildlife trafficking (IWT). The work on the $23 billion per annum illegal wildlife industry initiated last year by Investec, culminated in the publication of a report by the South African Anti-Money Laundering Integrated Task Force (SAMLIT) entitled Financial Flows associated with Illegal Wildlife Trade in South Africa. The report was produced by a SAMLIT expert working group (EWG), set up to investigate the subject and share results with peers in the industry locally and internationally. Investec staff were key members of the EWG, driving the project and writing the report, which continues to be referenced internationally as a case study for other countries.

Investec Group continued

Initiative/membership/reporting	Objective	How we engage and participate
UN-Convened, Industry-led Net-Zero Banking Alliance	The Net-Zero Banking Alliance (NZBA) is an alliance that brings together banks worldwide that are committed to aligning their lending and investment portfolios with net-zero emissions by 2050	We are members of the NZBA and actively participate in various working groups including the: • Sector track • Implementation track, and • Champion of the outreach and recruitment track in Africa
FORCE FOR GOOD	The Force for Good initiative was launched with the idea that capital can be a catalyst that changes the world for good and that an increasing number of leading financial institutions are leveraging their organisation's capital to do good in a myriad of ways. The Force for Good initiative sought to assess, establish and encourage the holders of capital to be a force for good	Investec participated in the initial launch and continues to support the initiative

Investec Limited

Initiative/membership/reporting	Objective	How we engage and participate
THE BANKING ASSOCIATION SOUTH AFRICA	The Banking Association South Africa (BASA) advances the interests of the industry with its regulators, legislators, and stakeholders to make banking sustainable, profitable and better able contribute to the social and economic development and transformation of the country. The Sustainable Finance Forum members comply with the BASA principles for managing environmental and social risk	Investec Bank CE, Richard Wainwright, at the time of publishing this report, is the Chair of BASA **We participate in various forums and committees including:** • Climate Risk Forum Steering Committee • TCFD and Sustainable Finance Working Groups • Sustainable Finance Committee • Positive Impact Finance Committee
national treasury Department: National Treasury REPUBLIC OF SOUTH AFRICA	National Treasury Department of Environmental Affairs issued the technical paper on Financing a Sustainable Economy in April 2020 after which various work streams were formed	**Investec is a member of the:** • Climate Steering Committee • Sustainable Finance Working Group • Disclosure Working Group

Investec Limited continued

Initiative/membership/reporting	Objective	How we engage and participate
JSE Sustainability and Climate change disclosure guidance	The Johannesburg Stock Exchange (JSE) Sustainability and Climate Change Disclosure Guidance is aligned with, and draws on, the most influential global initiatives on sustainability and climate change disclosure – including the GRI Sustainability Reporting Standards, the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, and the IIRC's International <IR> Framework – as well as an extensive range of other frameworks and standards , and the sustainability/ESG guidance of various peer exchanges	Within South Africa we have participated in providing input towards the sustainability and climate change disclosure guidance published by the JSE, South Africa Green Finance Taxonomy and the Just Transition Framework
	The aim of the UN Global Compact SA is to mobilise a global movement of sustainable companies and stakeholders to create the world we want. **UN Global Compact supports companies to:** • Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption, and • Take strategic actions to advance broader societal goals, such as the SDGs, with an emphasis on collaboration and innovation	Morris Mthombeni an independent Non-Executive Director of Investec Bank Limited Board is a Board member of the UN Global Compact in South Africa. Our Global Head of Sustainability, Tanya dos Santos, sits on the Board of the UN Global Compact in South Africa
	The African Natural Capital Alliance (ANCA) is a collaborative forum for mobilising the financial community's response to the risk of nature loss in Africa. They bring together a core group of financial institutions, governmental organisations, intergovernmental partners, and civil society representatives	We joined the African Natural Capital Alliance as a founding member with the formal launch at the end of May 2022. We see this as an opportunity to learn and increase our understanding of the link between finance and biodiversity while at the same time contributing to ensure alignment across the financial sector

Investment plc

Initiative/membership/reporting	Objective	How we engage and participate
UK FINANCE	UK Finance is the collective voice for the banking and finance industry. UK Finance is a trade association for the UK banking and financial services sector, formed on 1 July 2017. It represents over 300 firms in the UK providing credit, banking, markets and payment-related services	Ruth Lease, Investec plc's CEO is a Board member of UK Finance Tanya dos Santos, Global Head of Sustainability, is a member of the Sustainability Committee of UK Finance

Investec Wealth & Investment

Initiative/membership/reporting	Objective	How we engage and participate
PRI Principles for Responsible Investment	The UN Principles of Responsible Investment (UN PRI) is a UN-supported international network of investors working together to implement its six aspirational principles – a voluntary set of investment principles for incorporating ESG issues into investment practice. The principles were developed by investors, for investors, and by implementing them, signatories contribute to developing a more sustainable global financial system	• In January 2021, W&I became an official signatory of the UN PRI. Our membership commits W&I globally to the UN PRI • W&I submitted its inaugural annual PRI report in 2021 and publicly commits to making these reports available on an annual basis
UNIVERSITY OF CAMBRIDGE INSTITUTE FOR SUSTAINABILITY LEADERSHIP	The University of Cambridge Institute for Sustainable Leadership is a global network of pension funds, insurers and asset managers, with over £14 trillion under management and advice. The Group is committed to its mission to advance the practice of responsible investment	W&I In the UK, joined the CISL Investment Leaders Group (ILG). The outcomes of this forum is to ensure that: • Capital acts for the long term • Capital is priced according to the true cost of business activities • Financial structures better server sustainable business

Investec Wealth & Investment continued

Initiative/membership/reporting	Objective	How we engage and participate
Climate Action 100+	Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change	• Campbell Parry, Investec global resources analyst at W&I is the Investec representative on the Climate Action 100+ forum • As part of our membership with Climate 100+, we joined the coalition of investors engaging with Sasol on its climate change governance, its planned action on greenhouse emission across its value chain, and to ensure reporting consistent with the requirements of the TCFD
CDP INVESTOR SIGNATORY	The objective of the CDP investor signatory membership is to promote industrial-scale environmental disclosure and engagement, aligned with the TCFD	• In 2021, W&I became a formal CDP signatory • W&I joined the CDP Non-Disclosure Campaign giving us the opportunity to actively engage companies that have received the CDP disclosure request on behalf of investors but have not yet provided a response. The objective of the campaign is to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure request
CRISA CODE FOR RESPONSIBLE INVESTING IN SOUTH AFRICA	The Code for Responsible Investing in South Africa (CRISA) formally encourage institutional investors to integrate into their investment decisions sustainability issues such as ESG	W&I in South Africa subscribes to CRISA
Signatory of: UK STEWARDSHIP CODE | 2021	The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society	W&I in the UK subscribes to the UK Stewardship Code

Investec Wealth & Investment continued

Initiative/membership/reporting	Objective	How we engage and participate
Blue Economy Ocean Accelerator Programme	The Blue Economy Ocean Accelerator Programme, provides eight weeks of support and mentoring for SMEs that are focused on oceanic innovation. The initiative is one of the first of its kind in the UK and run by Bright Tide, a sustainability-focused training consultancy	W&I is the sponsor the Blue Economy Ocean Accelerator programme, aimed at nurturing entrepreneurial SME businesses that are focused on making a positive impact in regenerating the ocean's resources. As a sponsor, we will be actively involved in supporting and mentoring the entrepreneurial businesses involved in the eight-week programme

Global Reporting Frameworks

Initiative/membership/reporting	Objective	How we engage and participate
TCFD Task Force on Climate-Related Financial Disclosures	The Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and in turn, 'would enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks'	We have been a signatory since 2019. We were the first bank in South Africa and the 8th bank in the UK to sign up to the TCFD. This year we have improved our disclosures to include our Scope 3 emissions to establish a baseline to guide us in setting a robust strategy towards the transformation of a low-carbon economy, including short-medium and long-term targets. This year we have released our third TCFD report
GRI Empowering Sustainable Decisions	Global Reporting Initative (GRI) is the independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. We provide the world's most widely used standards for sustainability reporting – the GRI Standards	We have been reporting according to the GRI since 2010
SASB Sustainability Accounting Standards Board	The Sustainability Accounting Standards Board (SASB) guides the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry	We have released our second report according to the UN PRB guidelines

Global Reporting Frameworks continued

Initiative/membership/reporting	Objective	How we engage and participate
UNEP FINANCE INITIATIVE – PRINCIPLES FOR RESPONSIBLE BANKING	The UN PRB is a reporting framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the SDGs and the Paris Climate Agreement	We have released our second report according to the UN PRB guidelines
PRI Principles for Responsible Investment	The UN PRI is a UN-supported international network of investors working together to implement its six aspirational principles – a voluntary set of investment principles for incorporating ESG issues into investment practice	W&I submitted its inaugural annual PRI report in 2021 and publicly commits to making these reports available on an annual basis
EQUATOR PRINCIPLES	The Equator Principles (EP) are intended to serve as a common baseline and risk management framework for financial institutions to identify, assess and manage environmental and social risks when financing projects	Although not a signatory to the EP, we support their requirements and include our EP disclosures in our sustainability report

09 Appendix

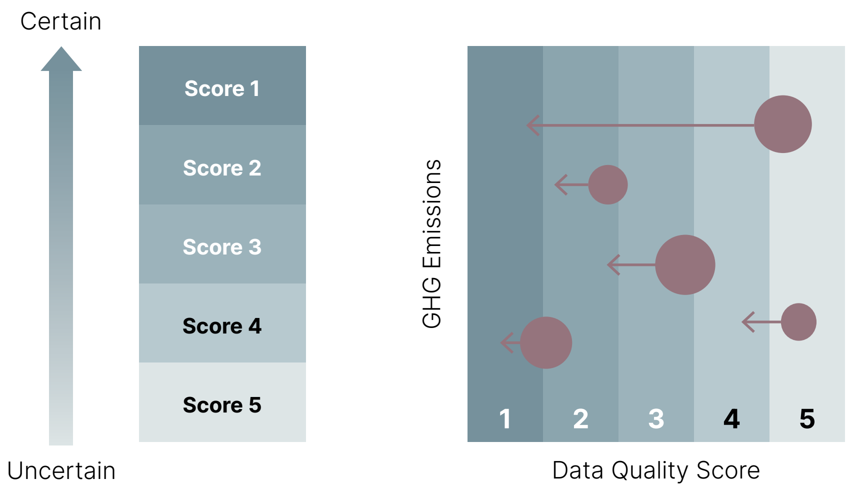
Appendix 1 – Methodologies

PCAF Methodology Data Quality Scores

The PCAF methodology requires various data inputs to measure and calculate the financed emissions for each asset class. The data required for the attribution factor is available within the financial institution, however, the data required to calculate the borrower's or investee's emissions is not always readily available and has to be sourced by the financial institution. The data quality can differ based on specific asset class and activity requirements for calculating the financed emissions.

PCAF recognizes that high quality data is not always available to the financial institutions for all asset classes and states that the institution should use the best available data in accordance with the PCAF data hierarchy. PCAF prescribes a data hierarchy which is detailed below:

Data quality scoring from 1 to 5... **...enables financial institutions to develop a strategy to improve data over time**



As such, the methodology provides a data quality scorecard specific for each asset class. PCAF has three options, dependent on emissions data used, to calculate the financed emissions, which are:

- Option 1: reported emissions (company-specific reported emissions or primary physical activity data provided)
- Option 2: physical activity-based emissions (company-specific reported emissions or primary physical activity data provided)
- Option 3: economic activity-based emissions (region- or sector- specific average emissions or financial data using public data sources)

From a data quality perspective, Options 1 and 2 are preferred over Option 3.

COMMERCIAL REAL ESTATE (RESIDENTIAL AND SERVICE BUILDINGS):

To calculate the financed emissions for the Commercial Real Estate portfolio, the actual building energy consumption is required but is not readily available. The PCAF methodology states that if the metered data is not available, energy use can be estimated based on the building characteristics and publicly disclosed data.

Based on data availability, the PCAF methodology proposes the following data quality score table for the Commercial Real Estate asset class:

(Score 1 = highest data quality; score 5 = lowest data quality)

Data Quality	Options to estimate the financed emissions		When to use each option
Score 1	Option 1: Actual building emissions	1a	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **supplier-specific emission factors** specific to the respective energy source.
Score 2		1b	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **average emission factors** specific to the respective energy source.
Score 3	Option 2: Estimated building emissions based on floor area	2a	**Estimated building energy consumption per floor area based on official building energy labels AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 4		2b	**Estimated building energy consumption per floor area based on building type and location-specific statistical data AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 5	Option 3: Estimated building emissions based on number of buildings	3	**Estimated building energy consumption per building based on building type and location-specific statistical data AND the number of buildings** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.

Reference to PCAF Methodology: https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf page 91

MORTGAGES:

To calculate the financed emissions for the Mortgage portfolio, the actual energy consumption data is required but not readily available in certain countries. The PCAF methodology states that if this data is not available, average energy consumption by building and geographic location can be used.

Based on data availability, the PCAF methodology proposes the following data quality score table for the Mortgages asset class:

(Score 1 = highest data quality; score 5 = lowest data quality)

Data Quality	Options to estimate the financed emissions		When to use each option
Score 1	Option 1: Actual building emissions	1a	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **supplier-specific emission factors** specific to the respective energy source.
Score 2		1b	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **average emission factors** specific to the respective energy source.
Score 3	Option 2: Estimated building emissions based on floor area	2a	**Estimated building energy consumption per floor area based on official building energy labels AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 4		2b	**Estimated building energy consumption per floor area based on building type and location-specific statistical data AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 5	Option 3: Estimated building emissions based on number of buildings	3	**Estimated building energy consumption per building based on building type and location-specific statistical data AND the number of buildings** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.

Reference to PCAF Methodology: https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf page 87

MOTOR VEHICLES:

To calculate the financed emissions for the Motor Vehicle portfolio, the actual vehicle consumption or actual vehicle distance traveled for a known vehicle make and model is required. The PCAF methodology states that if actual vehicle-specific data is not available, estimated vehicle distance traveled and vehicle fuel efficiency for an average vehicle from local or regional statistical data can be used.

Based on data availability, the PCAF methodology proposes the following data quality score table for the Motor Vehicle asset class:

(Score 1 = highest data quality; score 5 = lowest data quality)[1,2]

Data Quality	Options to estimate the financed emissions		When to use each option
Score 1	Option 1: Actual vehicle-specific emissions	1a	Outstanding amount and total value at origination of vehicle or vehicle fleet are known. Primary data on **actual vehicle fuel consumption** is available. Emissions are calculated using actual fuel consumption and fuel type-specific emission factors.
		1b	Outstanding amount and total value at origination of vehicle or vehicle fleet are known. Vehicle efficiency and fuel type (fossil and/or electricity) are available from **known vehicle make and model**[3]**.** Primary data on **actual vehicle distance** traveled is available. Emissions are calculated using estimated fuel consumption and fuel type-specific emission factors.
Score 2	Option 2: Estimated vehicle-specific emissions	2a	Outstanding amount and total value at origination of vehicle or vehicle fleet are known. Vehicle efficiency and fuel type (fossil and/or electricity) are available from **known vehicle make and model. Distance traveled is estimated based on local statistical data**[4]**.** Emissions are calculated using estimated fuel consumption and fuel type-specific emission factors.
Score 3		2b	Outstanding amount and total value at origination of vehicle or vehicle fleet are known. Vehicle efficiency and fuel type (fossil and/or electricity) are available from **known vehicle make and model. Distance traveled is estimated based on regional statistical data**[5]**.** Emissions are calculated using estimated fuel consumption and fuel type-specific emission factors.
Score 4	Option 3: Estimated vehicle-unspecific emissions	3a	Outstanding amount and total value at origination of vehicle or vehicle fleet are known. Vehicle efficiency and fuel type (fossil and/or electricity) are estimated from **known vehicle type** (vehicle make and model are unknown)[6]**. Distance traveled is estimated based on local or regional statistical data.** Emissions are calculated using estimated fuel consumption and fuel type-specific emission factors.
Score 5		3b	Outstanding amount and total value at origination of vehicle or vehicle fleet are known. Vehicle efficiency and fuel type (fossil and/or electricity) are estimated for an **average vehicle** (vehicle make and model and vehicle type are unknown)[7]**. Distance traveled is estimated based on local or regional statistical data.** Emissions are calculated using estimated fuel consumption and fuel type-specific emission factors.

1 Fuel type in the case of electric or hybrid vehicles can also refer to electricity.
2 For all options shown in the table, supplier-specific emission factors (e.g., from electricity provider) for the respective primary activity data are always preferred over non-supplier-specific emission factors (i.e., also sometimes referred to as average emission factors).
3 Vehicle make and model refers to the name of the company that manufactures the vehicle and the product name of the vehicle. For example, Toyota Prius.
4 Local statistical data refers to data at the province/state or small country level.
5 Regional statistical data refers to data at the large country or a subcontinental level.
6 Vehicle type refers to a passenger car, bus, or light commercial truck.
7 If it is not possible to know the vehicle type, an average vehicle can be assumed.

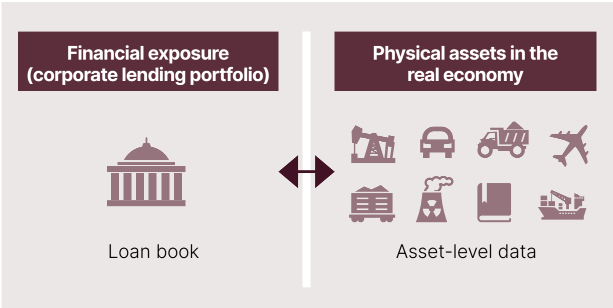
Reference to PCAF Methodology: https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf page 94

PACTA and the methodology

Paris Agreement Capital Transition Assessment (PACTA) is a free, open-source climate analysis tool designed for use by financial institutions and allows users to perform climate scenario analysis on corporate lending portfolios. The PACTA for Banks toolkit is available on the 2DII website. PACTA only includes sectors considered to be the most climate-critical in terms of carbon dioxide (CO_2) emissions. Within these sectors, the scope is circumscribed such as to only include the most carbon intensive segment of the value chain. PACTA consists of three core components: physical asset-level data, financial exposures and climate scenarios.

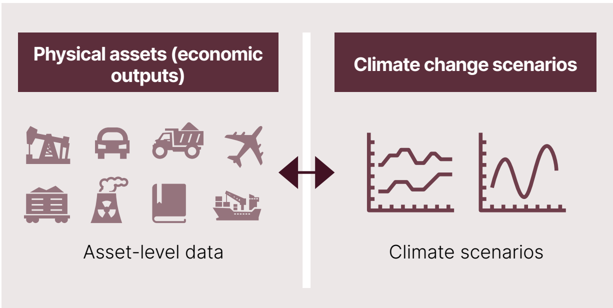
Step 1

The first step of interaction for these components is in linking a bank's financial exposure to physical assets in the real economy. The counterparties in the bank's loanbook are identified amongst the companies in the asset-level data, in order to retrieve their capacity and technology profiles, as illustrated to the right:



Step 2

The second step is comparing the economic units of output coming from the physical assets financed by the bank to different climate change scenarios. To assess if a financial portfolio aligns with climate goals, key metrics attributed to the portfolio (e.g. production, emission factors) are summarised, and used to calculate targets based on the climate scenarios.



		Paris Agreement Capital Transition Assessment
Developed by		2°C Initiative
Type		Open-source toolkit (can be tailored)
Scope	Financed activities	See Sectors / Value Chain Coverage below
	Financial instruments	Corporate Lending - outstanding amount
Benchmarks and ambition	Main benchmark	IEA ETP 2017 and IEA WEO 2019 Corporate Economy ("market")
	Target time horizon	N/A (implicitly 5 years)
Metrics		Technology/Fuel Mix (power, fossil fuel) Production Volume Trajectory (power, fossil fuel)
Portfolio modelling and data sources	Measured activity	Production, capacity or emissions
	Alignment level	Sector and individual technology/fuel
	Allocation	Portfolio weight
	Data sourcing	Physical data (bottom-up)
	Framework/provider	PACTA/Asset Resolution
Pros		• Enables portfolio steering • Can be adapted for different purposes/scope/benchmark • Segregation of high and low-carbon assets for integrated energy companies
Cons		• Does not define a pathway for financed emissions unless adapted • Decarbonisation focus on specific segments (e.g., upstream oil & gas) • Can lead to different interpretations and levels of ambition

Sectors	Value Chain Coverage			
Oil & Gas	Upstream	Midstream	Downstream	
Coal	Mining	Separation, preparation	Storage	Trade
Power	Generation	Transformation	Transmission	Distribution

Aviation Working Group (AWG)

The Aviation Working Group (AWG) is a not-for-profit legal entity comprised of major aviation manufacturers, leasing companies and financial institutions that contribute to the development of policies, laws and regulations that facilitate advanced international aviation financing and leasing. In January 2020, AWG created a focused environmental, social and governance (ESG) subgroup to steer action on aviation financing and leasing in the context of ESG.

Due to limited data availability, the ESG subgroup created a foundational tool for calculating the carbon emissions for aircraft and aircraft portfolios based on original equipment manufacturer (OEM) source data.

The AWG carbon calculator uses OEM source data, which has been determined and provided for operational aircraft models under consistent standards, assumptions and methodology, and so the source data is both accurate and directly comparable.

The AWG carbon calculator requires the following aircraft specific information such as:

- The aircraft model
- The number of flight hours and cycles per annum
- Confirmation of whether to apply degradation factor (i.e. whether the aircraft model is out-of-production or an engine on the relevant aircraft is close to overhaul)

Where the specific aircraft information is unavailable, the user can select to apply default utilisation data provided by the OEM for that aircraft model. This will allocate the number of flight hours and cycles that the relevant OEM would expect an aircraft of that model to incur on an annual basis.

The AWG carbon calculator is based on several OEM data assumptions. Refer to the publicly disclosed AWG Calculation Methodology Document for the detailed assumptions and the context that support these assumptions.

Reference to AWG methodology: https://awg-carbon-calculator.awg.aero/Calculation%20Methodology%20Document.pdf

1. AWG BACKGROUND

The Aviation Working Group (see www.awg.aero, AWG) is a non-profit entity chaired by Airbus and Boeing, and comprised of the world's major aviation manufacturers, leasing companies and banking and other financial institutions. AWG works on regulations and practices to facilitate international aviation financing and leasing. It is widely considered a leader on the link between finance and aviation, and a specialist on their relation and interplay with regulation.

2. ESG SUBGROUP

In January 2020, AWG created a focused environmental, social and governance (ESG) subgroup. The purpose of the ESG subgroup is to "assess, provide information, and potentially take action on, ESG geared to the context of aviation financing and leasing".

Based on limited availability of quality data on, and the consistency and complexity of alternative methods of calculating, carbon emissions in aviation, the ESG subgroup proposed to create a foundational tool, available to the industry, for the purposes of calculating CO_2 emissions for aircraft and aircraft portfolios based on original equipment manufacturer (OEM) source data, which is widely acknowledged to represent the best source data for aircraft CO_2 emissions performance. The initial participating OEMs are Airbus, ATR, Boeing and Embraer.

The work of the ESG subgroup has resulted in the creation of the "AWG Carbon Calculator" tool (the ACC Tool), the only aircraft CO_2 emissions tool to use OEM source data. The ACC Tool will enable its users to perform advanced calculations to generate reliable and consistent CO_2 emissions information for aircraft and aircraft portfolios based on aircraft-specific operational information that is generally available to airlines, aircraft lessors, aircraft financiers, and other aviation investors.

This document sets out the basis on, and the methodology for, which CO_2 emissions are calculated for aircraft and aircraft portfolios using the ACC Tool.

3. ACC TOOL CALCULATIONS

The ACC Tool will be available to participants in the aviation financing and leasing sector.

3.1 User Inputs

In respect of any aircraft for which carbon emissions are to be calculated, the ACC Tool requires the user to (a) select the relevant aircraft model, (b) input the number of flight hours per annum and cycles per annum for that aircraft, and (c) confirm whether a degradation factor should apply (for example, where the aircraft model is out-of-production or an engine on the relevant aircraft is close to overhaul). Where flight hours per annum and cycles per annum are not known by the user, the user can select to apply default utilisation data provided by the OEM for that aircraft model (OEM Default Utilisation). Together, these data inputs are referred to as the User Inputs.

3.2 OEM Data

The ACC Tool calculates the estimated annual CO_2 emissions of an aircraft by reference to the User Inputs and data provided by the OEM in respect of that aircraft model (OEM Data). The OEMs will provide their own CO_2 emissions data in respect of each aircraft model within their fleet at the following mission lengths.

For Turboprop and Regional Jet aircraft, the OEMs will provide CO_2 emissions data for low (0.5 hour), medium (1.5 hour), and high (3 hour) mission lengths. For Single-Aisle aircraft, the OEMs will provide CO_2 emissions data for low (1 hour), medium (2 hour), and high (4 hour) mission lengths. For Widebody aircraft, the OEMs will provide CO_2 emissions data for low (2 hour), medium (4 hour), and high (10 hour) mission lengths.

Notwithstanding the foregoing, the CO_2 emissions data for (a) the Embraer ERJ140 and Embraer ERJ145 aircraft will be provided for low (0.5 hour), medium (1.5 hour), and high (2 hour) mission lengths and (b) the Airbus A310-300F and Airbus A300F4-600RF aircraft will be provided for low (1 hour), medium (2 hour), and high (4 hour) mission lengths, as the selected mission lengths for the applicable aircraft type are not appropriate in the context of the operational range or use for these aircraft models.

The OEM Data is discussed further in paragraph 4 (OEM Data).

3.3 ACC Tool calculation

Where the User Inputs correspond to a mission length other than those mission lengths provided for in the OEM Data, the ACC Tool will either (a) use linear interpolation and extrapolation of the OEM Data to calculate an approximated figure for the annual CO2 emissions for that mission length or (b) return an error message where the User Inputs are outside the specified range.

The ACC Tool will (a) where a mission length corresponding to User Inputs falls within the range of the specified low and medium mission lengths, apply linear interpolation using the low and medium mission length OEM Data to determine the approximated annual CO_2 emissions for such mission length, (b) where a mission length corresponding to User Inputs falls within the range of the specified medium and high mission lengths, apply linear interpolation using the medium and high mission length OEM Data to determine the approximated annual CO_2 emissions for such mission length, and (c) where a mission length corresponding to User Inputs falls within the range of the specified high mission length and the cut-off limit above the specified high mission length as determined by the OEM, apply linear extrapolation using the medium and high mission length OEM Data to determine the approximated annual CO_2 emissions for such mission length. Where a mission length corresponding to User Inputs falls below the specified low mission length or above the cut-off limit above the specified high mission length as determined by the OEM, the ACC Tool will return an error message.

Where an error message is provided in respect of User Inputs, the user will have the option to either (a) apply OEM Default Utilisation for the relevant aircraft model or (b) contact the OEM for carbon emissions information in this range. The relevant cut-off limit above the specified high mission length as determined by the OEM for an aircraft model will be available within the ACC Tool.

3.4 User Outputs

The ACC Tool will, in respect of any output, confirm the User Inputs so that such User Inputs can be verified. The ACC Tool will then, in respect of such User Inputs, confirm (a) CO_2 emissions per annum, (b) CO_2 emissions per flight hour, and (c) CO_2 emissions per mission/cycle (together, the User Outputs).

The ACC Tool calculates the CO_2 emissions per flight hour and CO_2 emissions per mission/cycle by dividing the calculated CO_2 emissions per annum by the corresponding User Inputs (or, where OEM Default Utilisation has been selected, the relevant default utilisation information).

The ACC Tool will provide CO_2 emissions in metric units, but this can be converted to imperial units using the ACC Tool.

User Outputs from the ACC Tool for specific User Inputs can be saved and labelled as individual aircraft (Aircraft) by the user (for example, by reference to a manufacturer serial number and a specific year).

3.5 Portfolios

Users of the ACC Tool will be able to combine saved Aircraft within a portfolio (a Portfolio). The ACC Tool will, in respect of a Portfolio, confirm (a) details of the relevant User Outputs for each Aircraft, (b) the corresponding User Inputs for each Aircraft, and (c) the aggregate annual CO_2 emissions (together, the Portfolio Information).

3.6 Reports, graphical outputs and certificates

Users of the ACC Tool will be able to generate a report for a Portfolio. The report will confirm the Portfolio Information and provide tabular and graphical outputs based on aircraft type, aircraft model and selected Aircraft. Users of the ACC Tool will also be able to generate a comparison report in respect of two Portfolios. The report will confirm the Portfolio Information for each Portfolio and provide tabular and graphical outputs of the Portfolio Information based on aircraft type and aircraft model for comparison purposes.

Graphical outputs will be presented in various forms to aid users of the ACC Tool in visualising the relevant Portfolio Information, and such forms will include bar chart, pie chart, radar chart, scatter chart and bubble chart. Users of the ACC Tool will be able to produce certificates confirming annual CO_2 emissions for selected Aircraft or aggregate annual CO_2 emissions for selected Portfolios.

Aircraft and Portfolio data will be exportable in CSV format, graphical outputs will be exportable in JPEG or PNG format, and certificates will be exportable in PDF format.

4. OEM DATA

4.1 OEM Data assumptions

The OEM Data has been prepared based on the following assumptions:

a. Turboprop aircraft are configured in a typical single-class interior layout. This assumption has been selected as it reflects the configuration of most of the Turboprop fleet as at the time of development.

b. Regional Jets are configured in a typical single-class interior layout for small Regional Jets (ERJ135/ERJ145/CRJ200) and a typical two-class interior layout for large Regional Jets (E1/E2/CRJ700).

These assumptions have been selected as they reflect the configuration of most of the small and large Regional Jet fleets as at the time of development.

c. Single-Aisle aircraft are configured in a typical two-class interior layout. This assumption has been selected as to reflect both (i) the configuration of most of the Single-Aisle fleet as at the time of development and (ii) the typical configuration in which such aircraft are marketed by the OEMs.

d. Widebody aircraft are configured in representative interior layouts.

This assumption has been selected to reflect both (i) the configuration of most of the Widebody fleet as at the time of development and (ii) the typical configuration in which such aircraft are marketed by the OEMs.

e. Typical Express Freight payload for Single-Aisle and medium Widebody freighter aircraft. This assumption has been selected as it reflects the typical use for Single-Aisle and medium Widebody freighter aircraft.

f. Typical General Freight payload for large Widebody freighter aircraft. This assumption has been selected as it reflects the typical use for large Widebody freighter aircraft.

g. OEM assumed Operating Empty Weight for each configuration. This assumption has been selected so that it is then consistent with the assumptions regarding configuration referred to above.

h. The relevant aircraft operator operated each flight with 100% passenger occupancy. This assumption has been selected to represent a conservative approach to the possible understatement of CO_2 emissions for aircraft. Note: passenger occupancy does not represent a significant difference in the CO_2 emissions for aircraft for the purposes of the ACC Tool.

i. Where a Single-Aisle or Widebody aircraft model has multiple engine options, the best performing engine option has been selected. This assumption has been selected as it often reflects the most common engine selection and to ensure consistency in comparison. Note: engine selection does not represent a significant difference in the CO_2 emissions for aircraft for the purposes of the ACC Tool.

j. If selected in the User Inputs, a performance degradation will be applied in accordance with a percentage selected by the relevant OEM.

The percentage for performance degradation has been selected based on OEM performance analysis.

k. The emissions factor is 3.16. This factor is a chemical constant relating the mass of CO_2 produced by stoichiometric combustion of a known mass of jet fuel, rounded to three significant figures.

l. CO_2 emissions in respect of taxi-in and taxi-out are not included.

This assumption has been selected to accurately reflect that both OEM Data and User Inputs reference flight hours, rather than block hours.

4.2 OEM Data mission length

The OEMs have confirmed that CO_2 emissions increase on a linear basis relative to the mission length, provided that such mission lengths fall within the range of the specified low mission length and the cut-off limit above the specified high mission length as determined by the OEM. Accordingly, CO_2 emissions data is provided for low, medium and high mission lengths within generally expected operational ranges for Turboprop, Regional Jet, Single-Aisle and Widebody aircraft. A medium mission length has been included to improve accuracy. The mission lengths have also been selected as they represent the best fit for interpolation and extrapolation purposes within the ACC Tool.

4.3 OEM Default Utilisation

The OEM Default Utilisation for an aircraft model represents the number of flight hours and cycles that the relevant OEM would typically expect an aircraft of that model to incur on an annual basis.

5. ACC TOOL ACCURACY

There are many factors which may cause actual aircraft CO_2 emissions to vary from the data provided by the ACC Tool. These include but are not limited to the following:

a. The aircraft's actual model, operation or condition is different to that suggested by the User Inputs.

b. The de-rate factor at which the aircraft is operated.

c. The environmental conditions in which the aircraft is operated.

d. The aircraft can be operated on varying mission lengths.

e. The aircraft's actual configuration or condition.

f. The aircraft's actual payload and/or passenger occupancy.

g. The weight of any spare fuel carried by the aircraft.

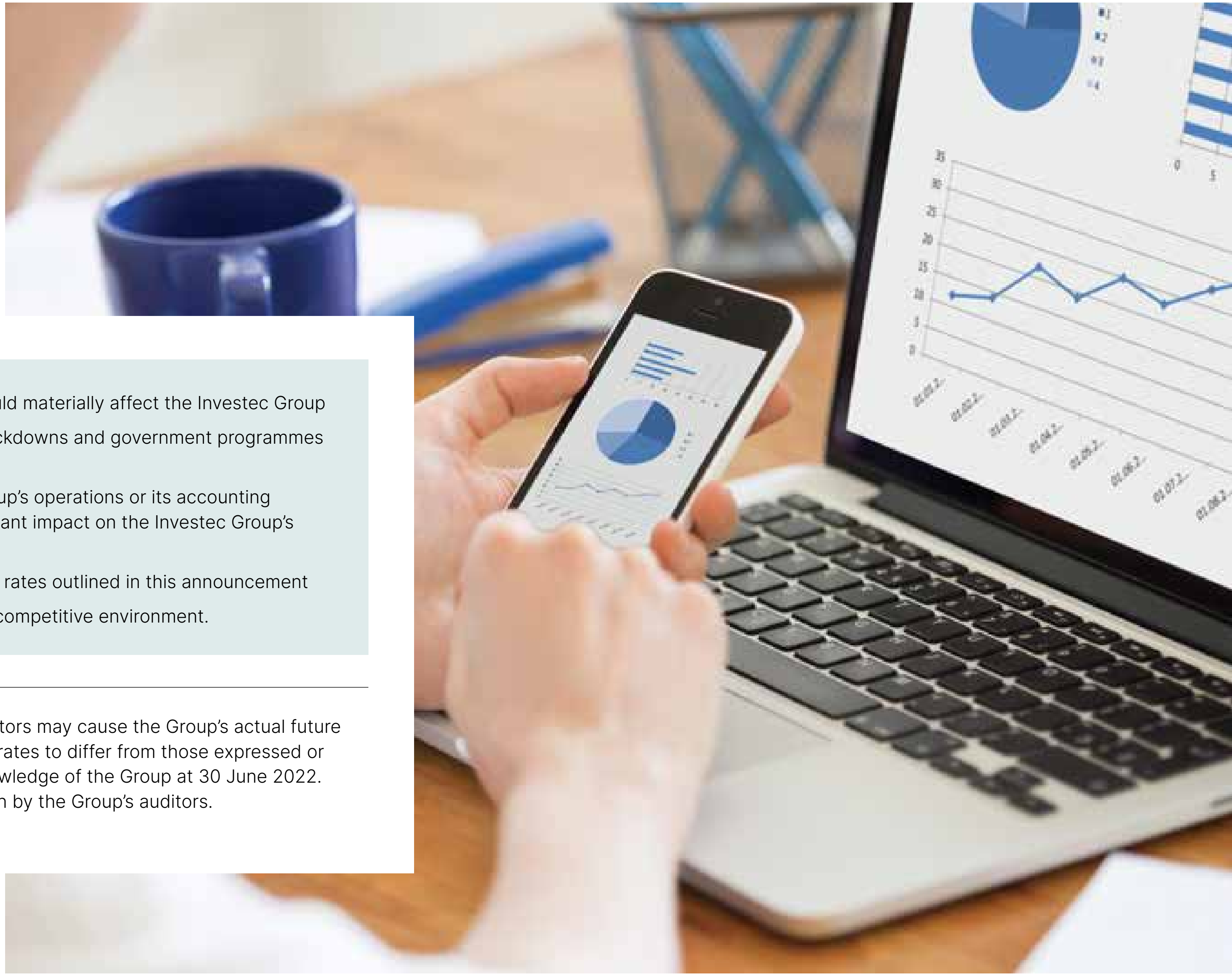
Definitions/Glossary

ACC Tool	has the meaning given to it in paragraph 2 (ESG subgroup).
Aircraft	has the meaning given to it in paragraph 3.4 (User Outputs).
Aircraft type	means, for the purposes of the ACC Tool, either Turboprop, Regional Jet, Single-Aisle or Widebody.
AWG	has the meaning given to it in paragraph 1 (AWG background).
CO_2	has the meaning given to it in paragraph 2 (ESG subgroup).
Cycle	means one take-off and landing of an aircraft.
ESG	has the meaning given to it in paragraph 2 (ESG subgroup).
Flight hour	means each hour or part of an hour elapsing from the moment the wheels of an aircraft leave the ground on take-off until the wheels of the aircraft next touch the ground
Mission length	means the number of flight hours elapsed per cycle for an aircraft.
OEM	has the meaning given to it in paragraph 2 (ESG subgroup).
OEM Data	has the meaning given to it in paragraph 3.2 (OEM Data).
OEM Default Utilisation	has the meaning given to it in paragraph 3.1 (User Inputs).
Operating Empty Weight	means the empty weight of the aircraft including all fluids, equipment, crew and crew baggage required for operation, but excluding fuel.
Portfolio	has the meaning given to it in paragraph 3.5 (Portfolios).
Portfolio Information	has the meaning given to it in paragraph 3.5 (Portfolios).
Regional Jet	means, for the purposes of the ACC Tool, each of the following aircraft models: Embraer ERJ 140, Embraer ERJ 145, Embraer E170, Embraer E175, Embraer E190, Embraer E195, Embraer E175-E2, Embraer E190-E2 and Embraer E195-E2.
Single-Aisle	means, for the purposes of the ACC Tool, each of the following aircraft models: Airbus A220-100, Airbus A220-300, Airbus A319-neo, Airbus A320neo, Airbus A321neo, Airbus A319-100, Airbus A320-200, Airbus A321-100, Airbus A321-200, Boeing 737-700W, Boeing 737-800W, Boeing 737-900ERW, Boeing 737-7, Boeing 737-8, Boeing 737-9 and Boeing 737-10.
Turboprop	means, for the purposes of the ACC Tool, each of the following aircraft models: ATR 72-600, ATR 72-500, ATR 42-600, ATR 42-500, ATR 72-200 and ATR 42-300.
User Inputs	has the meaning given to it in paragraph 3.1 (User Inputs).
User Outputs	has the meaning given to it in paragraph 3.4 (User Outputs).
Widebody	means, for the purposes of the ACC Tool, each of the following aircraft models: Airbus A330-800neo, Airbus A330-900neo, Airbus A340-300, Airbus A340-500, Airbus A340-600, Airbus A350-900 XWB, Airbus A350-1000 XWB, Airbus A380-800, Airbus A330-200, Airbus A330-300, Airbus A330-200F, Airbus A310-300F, Airbus A300F4-600RF, Boeing 767-300ER, Boeing 787-8, Boeing 787-9, Boeing 787-10, Boeing 777-200ER, Boeing 777-300ER, Boeing 747-8I.

NOTE: The inclusion of aircraft within the definitions of Turboprop, Regional Jet, Single-Aisle and Widebody is made solely for the purposes of calculations on the ACC Tool, and such inclusion and definitions neither signals, nor permits inferences relating to, any classification, categorisation or distinctions for any other purpose.

10

Cautionary note regarding forward-looking statements



1. Proviso

Please note that matters discussed in this document may contain forward-looking statements which are subject to various risks and uncertainties and other factors, including, but not limited to:

- changes in the political and/or economic environment that would materially affect the Investec Group
- changes in the economic environment caused by COVID-19 lockdowns and government programmes aimed to stimulate the economy
- changes in legislation or regulation impacting the Investec Group's operations or its accounting policies changes in business conditions that will have a significant impact on the Investec Group's operations
- changes in exchange rates and/or tax rates from the prevailing rates outlined in this announcement
- changes in the structure of the markets, client demand or the competitive environment.

A number of these factors are beyond the Group's control. These factors may cause the Group's actual future results, performance, or achievements in the markets in which it operates to differ from those expressed or implied. Any forward-looking statements made are based on the knowledge of the Group at 30 June 2022. Forward-looking statements have not been reviewed and reported on by the Group's auditors.

11 Recommendations

Climate-related disclosures overview

Investec publicly committed to support the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2019 and released our first stand-alone TCFD report in 2019. During the year ended 31 March 2022, we have made progress in our disclosures on all four pillars of the TCFD recommendations.

Governance Disclose the organisation's governance around climate-related risks and opportunities.	**Reference**	**Page number**
a) Describe the Board's oversight of climate-related risks and opportunities. In describing the Board's oversight of climate-related issues, organisations should consider including a discussion of the following:		
Processes and frequency by which the Board and/or Board Committees (e.g., audit, risk, or other committees) are informed about climate-related issues.	1a	18 to 29
Whether the Board and/or Board Committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures.	1a	18 to 29
How the Board monitors and oversees progress against goals and targets for addressing climate-related issues.	1a	18 to 29
b) Describe management's role in assessing and managing climate-related risks and opportunities. In describing management's role related to the assessment and management of climate-related issues, organisations should consider including the following information:		
Whether the organisation has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the Board or a Committee of the Board and whether those responsibilities include assessing and/or managing climate-related issues.	1b	32-33
A description of the associated organisational structure(s).	1b	17
Processes by which management is informed about climate-related issues.	1b	32-33
How management (through specific positions and/or management committees) monitors climate-related issues.	1b	32-33

Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.		
	Reference	**Page number**
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.		
A description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organisation's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms.	2a	38
A description of the specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the organisation.	2a	38-40
A description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organisation.	2a	41
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		
• Building on recommended disclosure (a), organisations should discuss how identified climate-related issues have affected their businesses, strategy, and financial planning. – Sector outlook: Real estate – Sector outlook: Energy – Sector outlook: Aviation – Sector outlook: Motor vehicles • Organisations should consider including the impact on their businesses, strategy, and financial planning in the following areas: – Products and services – Supply chain and/or value chain – Adaptation and mitigation activities – Investment in research and development – Operations (including types of operations and location of facilities) – Acquisitions or divestments – Access to capital	2b	43-46
Organisations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritised. Organisation's disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time.	2b	44
Organisations should describe the impact of climate-related issues on their financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities). If climate-related scenarios were used to inform the organisation's strategy and financial planning, such scenarios should be described.	2b	44-45
Organisations that have made GHG emissions reduction commitments, operate in jurisdictions that have made such commitments, or have agreed to meet investor expectations regarding GHG emissions reductions should describe their plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities intended to reduce GHG emissions in their operations and value chain or to otherwise support the transition.	2b	54
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		
Organisations should consider discussing: — where they believe their strategies may be affected by climate-related risks and opportunities; — how their strategies might change to address such potential risks and opportunities; — the potential impact of climate-related issues on financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities); and — the climate-related scenarios and associated time horizon(s) considered.	2c	44-45

Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.		
	Reference	**Page number**
a) Describe the organisation's processes for identifying and assessing climate-related risks.		
Organisations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organisations determine the relative significance of climate-related risks in relation to other risks.	3a	83-84
Organisations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.	3a	85-86
Organisations should also consider disclosing the following: – processes for assessing the potential size and scope of identified climate-related risks and – definitions of risk terminology used or references to existing risk classification frameworks used.	3a	87-97
b) Describe the organisation's processes for managing climate-related risks.		
• Organisations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. • In addition, organisations should describe their processes for prioritising climate-related risks, including how materiality determinations are made within their organisations.	3b	98-101
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		
Organisations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.	3b	102

Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
	Reference	**Page number**
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.		
• Organisations should provide the key metrics used to measure and manage climate-related risks and opportunities,), as well as metrics consistent with the cross-industry, climate-related metric categories. • Organisations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable.	4a	105 - 108
Where climate-related issues are material, organisations should consider describing whether and how related performance metrics are incorporated into remuneration policies.	4a	30-31
Where relevant, organisations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a low-carbon economy.	4a	104
• Metrics should be provided for historical periods to allow for trend analysis.	4a	107
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		
• Organisations should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks. • All organisations should consider disclosing Scope 3 GHG emissions.	4b	107 to 109 and 113
GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organisations and jurisdictions. As appropriate, organisations should consider providing related, generally accepted industry specific GHG efficiency ratios.	4b	107 and 108
GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organisations should provide a description of the methodologies used to calculate or estimate the metrics.	4b	107
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		
Organisations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with the cross-industry, climate-related metric categories, where relevant, and in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a low-carbon economy.	4c	9
Organisations disclosing medium-term or long-term targets should also disclose associated interim targets in aggregate or by business line, where available.	4c	9

12 Abbreviations

Abbreviations continued

2DII	2° Investing Initiative
abrdn	Aberdeen
AC	Alternate current
ACC	AWG Carbon Calculator
AD	Anaerobic digestion
AfDB	African Development Bank
AGM	Annual General Meeting
ALD	Asset level data
ANCA	African Natural Capital Alliance
AWG	Aviation Working Group
b2ds	Beyond 2 Degrees Scenario
BASA	Banking Association South Africa
BOE	Bank of England
BREEAM	Building Research Establishment Environmental Assessment Method
CAGR	Compound annual growth rate
CBI	Chartered Banking Institute
CDP	Carbon Disclosure Project
CDR	Carbon Dioxide Removal
CE	Chief Executive
CFA	Chartered Financial Analyst
CISL	Cambridge Institute for Sustainable Leadership
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COP26	Conference of Parties - 26
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
COVID-19	Coronavirus disease of 2019
CRE	Commercial real estate

CRISA	Code for Responsible Investing in South Africa
CRO	Chief Risk Officer
CSI	Corporate social investment
CSST	Common Scenario Stress Test
DC	Direct current
DLC	Dual Listed Company
DLC BRCC	DLC Board Risk and Capital Committee
DLC SEC	DLC Social and Ethics Committee
DMTN	Domestic medium-term note
DoE	Department of Energy
EC	European Commission
ECB	European Central Bank
EfW	Energy from Waste
EP	Equator Principles
EPCs	Energy Performance Certificates
EPoC	Empowering People of Colour
ERC	Executive Risk Review Committee
ESG	Environmental, social and governance
ETP	Energy Technology Perspective
etp-2017	Energy Technology Perspectives 2017
EVs	Electric vehicles
eVTOL	electric vertical take-off and landing
EY	Ernst & Young
FRC	Financial Reporting Council
G7	Group of Seven
GBCSA	Green Building Council of South Africa
GDP	Gross domestic product

Abbreviations continued

GHG	Greenhouse gas
GIBS	Global Institute of Business Studies
GISD	Global Investors for Sustainable Development
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GJ	Gigajoule
GLA	Gross Lettable Area
GRI	Global Reporting Initiative
GSE	Global Sustainable Equity
GTR	Global Trade Review
GTS	Green Transport Strategy
GW	Gigawatt
HNW	High net worth
IASB	International Accounting Standards Board
IATA	International Air Transport Association
IBL	Investec Bank Limited
IBP	Investec Bank plc
ICAO	International Civil Aviation Organisation
ICC	International Chamber of Commerce
ICCT	International Council of Green Transportation
ICE	Internal combustion engine
ICMA	International Capital Markets Association
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IIF	Institute of International Finance
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
IRO	Investment and Research Officers

ISS	Institutional Shareholder Services
ISSB	International Sustainability Standards Board
JSE	Johannesburg Stock Exchange
KPIs	Key performance indicators
ktpa	kilo-tonnes per annum
LDVs	Light-duty vehicles
LEDS	Low Emissions Development Strategy
LGD	Loss Given Default
LMA	Loan Market Association
LP	Limited partner
m²	Square meter
MD	Managing Director
MEPS	Minimum Energy Performance Standards
MPS	Master Portfolio Service
MW	Megawatt
MWp	Megawatt peak
NACE	The classification of economic activities in the European Union (EU); the term NACE is derived from the French Nomenclature statistique des activités économiques dans la Communauté européenne.
NCCRP	National Energy Efficiency Strategy
NEES	National Climate Change Response Plan
NDC	Nationally Determined Contributions
NDP	National Development Plan
NEES	National Energy Efficiency Strategy
NGFS	Network for Greening the Financial System
NZBA	Net-Zero Banking Alliance
OEM	Original Equipment Manufacturer
PACTA	Paris Agreement Capital Transition Assessment

PCAF	Partnership for Carbon Accounting Financials
PD	Probability of default
PRA	Prudential Regulation Authority
PRME	Principles of Responsible Management Education
PV	Photovoltaic
RBA	Responsible Banking Academy
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RES	Renewable Energy System
SAF	Sustainable Aviation Fuel
SARB	South African Reserve Bank
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDA	Sectoral Decarbonization Approach
SDGs	Sustainable Development Goals
SLL	Sustainability- linked loan
SMF	Senior Management Function
SMME	Small, Medium and Micro Enterprise
SSE	Sustainable Stock Exchanges
SSPs	Shared Socio-economic Pathways
TCFD	Task Force on Climate-related Financial Disclosures
TCTA	Trans-Caledon Tunnel Authority
UN	United Nations
UN PRB	United Nations Principles for Responsible Banking
UN PRI	United Nations Principles for Responsible Investment
UN PRME (i5)	United Nations Principles of Responsible Management Education - impactful five
UNEP FI	United Nations Environment Programme Finance Initiative

UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNGC	United Nations Global Compact
UNICEF	United Nations International Children's Emergency Fund
VAT	Value Added Tax
VCS	Verified Carbon Standard
WEF	World Economic Forum
YES	Youth Employment Service