

# Principles for Responsible Banking (PRB) reporting index

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**31 March 2023**



The below table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. It is where we provide our response and self-assessment in relation to the principles and provide references and links to where in our existing reporting and at public domains the required information can be found

Requirements	Bank's response and self-assessment	Reporting reference
<b>Principle 1 – Alignment</b>		
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		
1.1	<p><b>Business model description</b></p> <p>Our business model is based on creating sustainable long-term value for our stakeholders.</p> <p>We have a wide range of products and services for our private and corporate clients, in the following client segments:</p> <ul style="list-style-type: none"> <li>• Wealth &amp; Investment</li> <li>• Private Banking</li> <li>• Corporate and Investment Banking</li> </ul> <p>We operate in 2 principal geographies, namely Southern Africa and the UK. With 2 core areas of activity namely Specialist Banking and Wealth and Investment.</p> <ul style="list-style-type: none"> <li>• We have market-leading, distinctive client franchises</li> <li>• We provide a high level of client service enabled by comprehensive digital platforms</li> <li>• We are a people business backed by our Out of the Ordinary culture and entrepreneurial spirit</li> </ul>	Investec integrated and strategic annual report 2023. Page 12
1.2	<p><b>Business strategy alignment</b></p> <p>We are committed to delivering exceptional service to our clients, creating long-term value for all our stakeholders and contributing meaningfully to our people, communities and the planet.</p> <p>Our aim to make a meaningful contribution to the world we live in is at the heart of our values at Investec. Making an unselfish contribution to society, nurturing an entrepreneurial spirit, embracing diversity, and respecting others, underpin our aim of living in society, not off it.</p> <p>Our sustainability framework is based on the sustainable development goals (SDGs), where we aim to achieve the following:</p> <ul style="list-style-type: none"> <li>• Positively contribute to the SDGs</li> <li>• Operate responsibly and ethically with cognisance of climate and nature-related challenges</li> <li>• Partnering with our clients and philanthropy partners to maximise positive impact</li> <li>• Providing profitable, impactful and sustainable products and services</li> <li>• Actively advocating for industry alignment and best practice</li> </ul> <p>Addressing climate and inequality is fundamental to the success of our business. We have eight priority SDGs that is broken down to:</p> <ul style="list-style-type: none"> <li>• two impact SDGs: <ul style="list-style-type: none"> <li>○ Climate action (SDG 13)</li> <li>○ Reduced inequalities (SDG 10),</li> </ul> </li> <li>• supported by six core SDGs: <ul style="list-style-type: none"> <li>○ SDG4; SDG6; SDG7; SDG8; SDG9; SDG11.</li> </ul> </li> </ul> <p>These priority SDGs are globally aligned yet locally relevant to our core geographies and reflect our growth strategy to fund a stable and sustainable economy. Our approach coordinates, assesses and reports on the Group's progress in terms of our contribution to our priority SDGs.</p>	Investec integrated and strategic annual report 2023. Page 107  Investec sustainability report 2023. Page 12

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<b>Principle 2: Impact and target setting</b>		
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		
2.1	<p><b>Impact analysis</b></p> <p><b>Scope:</b> We have evaluated our operations and lending activities across our material asset classes in our core geographies.</p> <p><b>Scale of exposure:</b></p> <p>In line with IFC classification guidelines of ESG risk levels, 59% of our loan exposure is classified as low risk, 33.1% is medium risk and 7.7% is high risk. The high-risk exposures can be classified as follows:</p> <ul style="list-style-type: none"> <li>• Utilities (3.0%),</li> <li>• Manufacturing (2.1%),</li> <li>• Mining (1.1%),</li> <li>• Agriculture (0.4%),</li> <li>• Recreation (0.2%)</li> <li>• Construction (0.4%),</li> <li>• Wholesale and retail (0.3%),</li> <li>• Other (0.2%)</li> </ul> <p>All exposures have been calculated for each geography separately and are disclosed in addition to the Group exposures.</p> <p>Our impact analysis included financed emissions for the following portfolios (% of the Group loan book covered):</p> <ul style="list-style-type: none"> <li>• Energy generation (88%)</li> <li>• Residential and commercial real estate (95% and 98%)</li> <li>• Mortgages (98%)</li> <li>• Motor vehicle finance (100%)</li> <li>• Asset finance - motor vehicle fleet (95%)</li> <li>• Asset finance – aviation (77%)</li> <li>• Listed investments (98%)</li> </ul> <p><b>Context and relevance:</b></p> <p>We have assessed the sectors that are exposed to transition risk and the key drivers of climate transition are outlined in our TCFD report. These have been categorised as short-, medium- and long-term risk where appropriate. We have also assessed our SDG impacts on communities and our lending and investment activities, and this is outlined in our sustainability report.</p> <p><b>Scale and intensity:</b></p> <p>The scale and intensity of these significant impacts represented in our disclosures. Furthermore, we have assessed the physical risks and potential climate-related impacts within our own operations and across our Group mortgage and commercial real estate portfolios. These analyses allow us to be resilient and 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.</p> <p>We see quality education, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry and innovation, and sustainable cities and communities being our main priorities across our principal geographies, through alignment of our strategy with the UN SDG's, and reviews of several international and national frameworks, including the UN Global Compact, TCFD's, GISD and BASA working groups and committees, the King Code and ISO4000.</p> <p>Furthermore, we have outlined the impact of our energy sector exposure in both geographies, in terms of the nature of energy (fossil fuels vs renewables). Energy has been outlined given it is the largest proportion of high-risk exposure and given energy's vital role in economic development.</p> <p>We have outlined the business opportunities in line with our key SDGs. Investec has defined a sustainable finance framework based on our key SDGs that outlines the methodology and approach to support sustainable financing practices within Investec Group. Over the past financial year, we have launched and participated in several</p>	<p>Investec sustainability report 2023. Page 52</p> <p>Investec sustainability report 2023. Page 62</p> <p>Investec TCFD report 2023. Page 74</p> <p>Investec TCFD report 2023. Page 56</p> <p>Investec TCFD report 2023. Pages 96 to 102</p> <p>Investec sustainability report 2023. Page 12</p> <p>Investec sustainability report 2023. Pages 63 to 65</p>

		<p>sustainable finance products and innovations that complement our impact and core SDG priorities, all of which are based on our sustainable finance framework. We have a strong focus on financing entrepreneurs who are central in accelerating job creation and supporting sustained economic growth. In terms of impact, we have highlighted some of our high impact sustainable finance products in both geographies. Our focus for the coming financial 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.</p>	<p>Investec sustainability report 2023. Pages 70 to 94</p>
2.2	Target setting	<p>We embrace our responsibility to understand and manage our own carbon footprint through the reduction of our operational carbon emissions. The two examples of set targets relate to being carbon neutral across our operations and 100% reliant on renewable energy for our operational usage. The base year for being carbon neutral across our direct operations was 2019 and continue to be carbon neutral within our Scope 1, 2, and operational Scope 3 emissions. We are sourcing 100% of our Scope 2 energy requirements through the purchase of renewable energy certificates since 2021.</p> <p>The carbon neutral and renewable energy reliance metrics support SDG 13 (climate action) because it directly affects energy related CO<sub>2</sub> emissions that take urgent action to combat climate change and its impacts.</p> <p>We calculated the value at risk and disclosure 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 - March 2024).</p> <p>Our metrics and targets, as set out in our TCFD report, guide us in our journey with an aspiration to become net-zero, or more ambitiously, climate positive.</p> <p>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 SBTi is within reasonable expectations. We are partnering with our clients and advisors to build more energy efficient buildings and upgrade existing ones by assessing the EPC ratings across our whole portfolio; continuing investment in training and awareness within the team; and implementing a focused strategy for refurbishment and construction lending. To assist in the reduction of emissions, we partner with our clients and finance energy efficient buildings – for example, Investec Real Estate in the UK has committed over £1bn of senior finance in the high growth UK purpose-built student accommodation (PBSA) sector. Since 2011, we have supported over 17 clients, including CA Ventures, Scape, Student Roost and Watkin Jones, with the delivery of 22 000 beds across 52 schemes in 23 cities.</p> <p>The milestone was achieved following the arrangement of a 51-month, £65mn development loan to Scape, the global PBSA provider, to support the construction of a 693-unit scheme in Leeds, which is due to complete in time for the 2024/2025 academic year. To date, we have provided Scape and its partners with over £142mn of development finance, across five UK schemes.</p> <p>Investec plc committed to zero coal exposures by 31 March 2027 and Investec Limited committed to zero thermal coal exposures by 31 March 2030 which will put us in line to achieve the Paris Agreement goals. As such Investec Group committed to zero thermal coal in our loan book by 31 March 2030 which aligns with the Paris Agreement goals.</p> <p>We have updated our fossil fuel policy with targets in all fossil fuels which is available on our website here: <a href="https://www.investec.com/content/dam/south-africa/welcome-to-investec/corporate-responsibility/Investec-Fossil-Fuel-policy-June-2023.pdf">https://www.investec.com/content/dam/south-africa/welcome-to-investec/corporate-responsibility/Investec-Fossil-Fuel-policy-June-2023.pdf</a></p> <p>South Africa's private sector power generation is expected to rise, as a result of the government increasing the allowable private sector self-generating electricity capacity and providing tax incentives for installing solar power generation, as well as due to significantly higher electricity costs, falling renewable energy technology costs and regular electricity outages (loadshedding). This is likely to diminish South Africa's GHG emissions as more renewable energy is used replacing electricity from the grid, which is predominantly sourced from coal fired power stations. The National Development Plan 2030 targets zero emission building standards by 2030. By December 2025, commercial South African buildings will need to display an EPC, which assesses energy efficiency with a score (A to G, A being most energy efficient). To assist in achieving these targets, our Power and Infrastructure team has participated in £1.38bn of renewable energy projects with an investment of £398mn globally to decarbonise the energy sector and contribute to energy access, security and affordability, especially in underserved communities. In addition, we have participated in many other initiatives to support climate action and in specific SDG 7 which are showcased in our sustainability report. These financing activities can accelerate the transition towards a low-carbon economy and foster climate resilience.</p>	<p>Investec TCFD report 2023. Page 8</p> <p>Investec TCFD report 2023. Pages 65 to 103</p> <p>Investec TCFD report 2023. Page 45</p>

			Investec sustainability report 2023. Pages 80 to 84
2.3	Plan or target implementation and monitoring	<p>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.</p> <p>We have analysed the value at risk relating to physical climate risk events within our real estate portfolio for Investec Limited and Investec plc. In the next year, our focus will be on the remaining portfolios with a target completion date of March 2024.</p> <p>We have enhanced the calculation of our financed emissions to provide a more accurate and consistent representation of the emissions associated with each of the six material asset classes.</p> <p>The major key performance indicators will be the result of our ESG ratings and rankings, mainly Sustainalytics, CSA Dow Jones, CDP, ISS and Financial Sector Charter targets. This year we have also been named as one of the top 100 global sustainable companies in the world by Corporate Knights. In addition, we have improved our CDP score to and A- (from a B) against an industry average of a B-.</p>	<p>Investec TCFD report 2023. Pages 15 to 25</p> <p>Investec TCFD report 2023. Pages 96 to 102</p> <p>Investec TCFD report 2023. Page 75</p> <p>Investec TCFD report 2023. Page 105</p>
2.4	Progress on implementing targets	We have set targets against our fossil fuels which is outlined in our fossil fuel policy on our website.	<a href="#">Refer to our website here</a>

Requirements	Bank's response and self-assessment	Reporting reference
<b>Principle 3 – Clients and customers</b>		
We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.		
3.1	<p>Policies and practices</p> <p>We have several sustainability policies in place that is accessible on our website including</p> <ul style="list-style-type: none"> <li>• The way we do business policy</li> <li>• Our operational resilience statement</li> <li>• Group environmental policy and climate change statement</li> <li>• Group fossil fuel policy</li> <li>• Group health and safety policy</li> <li>• Group sustainable finance framework</li> <li>• IW&amp;I ESG and Sustainable policy (South Africa)</li> <li>• IW&amp;I Voting and active engagement policy (South Africa)</li> <li>• IW&amp;I Equity ESG policy (UK)</li> <li>• Group biodiversity statement</li> <li>• Group procurement statement</li> <li>• Group modern day slavery act statement</li> </ul> <p>Internal policies include</p> <ul style="list-style-type: none"> <li>• Defence sector policy</li> <li>• Environmental and social risk practices in lending activities policy</li> <li>• Environmental and social risk practices in investment activities policy</li> </ul> <p>Our supply chain statement incorporates standards on human rights, labour rights and environmental and anti-corruption principles as set out in the UNGC. We aim to evaluate the majority of our suppliers' performance against our standards at least every three years (see supplier engagement list alongside). All our operations support and respect the protection of internationally proclaimed human rights standards and are not complicit in any human rights abuses.</p> <p>Our Group supplier code of conduct incorporates the standards and behaviour expected from all suppliers and service providers relating to integrity and ethical conduct, which forms part of the core values of the Investec Group. Suppliers and service providers are expected to adhere to this code and to remain mindful that their activities may impact the Group's reputation and its relationship of trust with clients, employees, shareholders and all relevant stakeholders. In this regard, the Investec Group expects its suppliers and service providers to execute and/ or fulfil their contractual obligations in accordance with the Investec Group's values as outlined in the supplier code of conduct.</p>	<ul style="list-style-type: none"> <li>• <a href="#">The way we do business</a></li> <li>• <a href="#">Our operational resilience statement</a></li> <li>• <a href="#">Our group policy and climate change statement</a></li> <li>• <a href="#">Our group fossil fuel policy</a></li> <li>• <a href="#">Our group health and safety policy</a></li> <li>• <a href="#">Our sustainable finance framework</a></li> <li>• <a href="#">Wealth &amp; Investment ESG and Sustainable policy (South Africa)</a></li> <li>• <a href="#">Wealth &amp; Investment voting and active engagement policy (South Africa)</a></li> <li>• <a href="#">Our equity and collectives ESG policy (UK)</a></li> <li>• <a href="#">Biodiversity statement</a></li> <li>• <a href="#">Procurement statement</a></li> <li>• <a href="#">Modern slavery act statement</a></li> </ul> <p><a href="#">Refer to our procurement statement on our website here</a></p>
3.2	<p>Sustainable practices with clients and customers</p> <p>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.</p> <p>Investec supports clients in achieving their climate and nature-related and sustainability (including ESG) goals by offering sustainability-linked financing products.</p> <p>We will continue to look for opportunities to fund Grade A listed buildings. We will support our client on their net-zero ambitions through innovative sustainability-linked funding offerings.</p> <p>Within Investec Limited, we are aligning with our commitment towards net-zero carbon emissions, we have rolled out a funding solution for our private banking clients to install solar panels and battery storage systems for installation in their homes, small businesses and practices, providing a power</p>	<p>Investec TCFD report 2023. Page 62</p> <p>Investec sustainability report 2023. Page 83</p>

	<p>solution in South Africa, a country currently affected by regular electricity outages.</p> <p>The offering gives Private Bank clients easy access to funding through existing and now standalone facilities. Clients are able to tap unutilised home-loan facilities or have money re-advanced to them to put in place these systems, that can cost upwards of \$10 000, depending on the size of the property.</p> <p>The new stand alone facility product is offered as a competitive indicative rate of prime, over 60 months and to show our commitment we have waived the upfront fees for deals under R500k at launch.</p> <p>This will provide our clients with access to multiple options for personal or business needs to assist in funding their transition to more sustainable solutions.</p>	
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Requirements	Bank's response and self-assessment	Reporting reference
<b>Principle 4 – Stakeholders</b>		
<b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</b>		
4.1	<p>Stakeholder consultation, engagement and partnering</p> <p>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. Based on stakeholder engagement over the past year, the following actions were taken:</p> <ul style="list-style-type: none"> <li>• Reviewed and updated our fossil fuel policy</li> <li>• We are founding members of the African Natural Capital Alliance (NACA)</li> <li>• Joined the Partnership for Biodiversity Accounting Financials (PBAF)</li> <li>• Participated in writing the climate curriculum for UN PRB.</li> <li>• Engaged with clients to understand the carbon intensity of their business and to support them in implementing carbon reduction targets</li> <li>• Disclosed our fossil fuel exposures and our exposure to climate vulnerable industries</li> <li>• Launched a number of ESG products and services</li> <li>• Deepened the ESG skills of the group Social and Ethics Committee (DLC SEC)</li> <li>• Strengthened our supply chain monitoring where all suppliers are screened for ESG and ethical conduct</li> </ul>	Investec Sustainability report 2023. Page 125 to 131

Requirements	Bank's response and self-assessment	Reporting reference
<b>Principle 5 – Governance and culture</b>		
We will implement our commitment to these Principles through effective governance and a culture of responsible banking		
5.1	<p><b>Governance structure</b></p> <p>Climate and nature-related risk considerations are integrated into multidisciplinary, company-wide management processes throughout the group. The DLC Social and Ethics committee (DLC SEC) is responsible for monitoring the non-financial elements of sustainability, including the group's performance in ESG indicators, and relevance of sustainability issues across the group. The Committee comprises five independent directors and the Group Chief Executive. Its composition, that is in accordance with the requirements of the South African Companies Act, is designed to provide the breadth of experience necessary for effective consideration of the sustainability issues presented. The DLC SEC is a Board appointed committee with a direct reporting line to the DLC Board. The Committee is also attended by key business leaders in the Group. This, and the Committee's interaction with the DLC ESG Executive Committee, support the continued integration of sustainability matters across the Group. The Committee met four times during the year.</p> <p>The principal objective of the DLC SEC 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 non-financial elements of sustainability, including the group's performance in ESG indicators, and relevance of sustainability issues across the group. It is also responsible for monitoring the Group's activities having regard to any relevant legislation, other legal requirements, or prevailing codes of best practice.</p>	Investec TCFD report 2023. Pages 14 to 25
5.2	<p><b>Initiatives and measures</b></p> <p>Key climate and environmental achievements in 2022/23</p> <ul style="list-style-type: none"> <li>• Approved supporting the Taskforce for Nature Related Financial Disclosures (TNFD)</li> <li>• Signed up to the Partnership for Biodiversity Accounting Financials (PBAF)</li> <li>• Reviewed the South African Just Transition plan (JETP), and how it will impact Investec.</li> <li>• Reviewed and supported the Group's updated fossil fuel policy with the commitment to have zero thermal coal exposures in our loan book by 31 March 2030.</li> <li>• Received recognition by Corporate Knights as one of the top 100 most sustainable companies in the world.</li> <li>• Approved the Group's biodiversity statement</li> <li>• Approved the Group's modern slavery act statement</li> <li>• Vanessa Oliver was appointed as an independent non-executive director and chair of the DLC BRCC.</li> </ul>	Investec TCFD report 2023. Pages 14 to 25
5.3	<p><b>Governance structure for implementation of principles</b></p> <p>The DLC Social and Ethics Committee (DLC SEC), a board appointed committee, monitors the group's application of the South African Employment Equity Act, the Broad-Based Black Economic Empowerment (BBBEE) Act and the Financial Sector Code. It also monitors our progress terms of ESG matters, and advancing the UN Global Compact's ten principles with respect to business and human rights, labour, environment and anti-corruption, and our priorities in terms of the UN SDGs. The work undertaken by the committee ensures that the group is operating in an ethical, compassionate and sustainable manner.</p> <p>The role of the Committee is to:</p> <ul style="list-style-type: none"> <li>• Ensure that the Group promotes environmental, social and economic development</li> <li>• Oversee the Group's sustainability and climate-related policies, processes and response to climate-related matters</li> <li>• Monitor the Group's standing in terms of the goals and purposes of the UN Global Compact's 10 principles, as well as our priorities in terms of the UN SDGs</li> <li>• Oversee the Group's behaviour as a corporate citizen, including its contribution to the development of our communities</li> <li>• Monitor the Group's standing in terms of the goals and purposes of the South African Employment Equity Act, and the South African BBBEE Act</li> </ul>	Investec TCFD report 2023. Pages 17 and 18



Requirements	Bank's response and self-assessment	Reporting reference
<b>Principle 6 – Transparency and accountability</b>		
We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.		
6.1	Progress on implementing the Principles for Responsible Banking	We have submitted our third report according to the UN PRB principles.
Investec sustainability report 2023. Page 126		