

SUSTAINABILITY

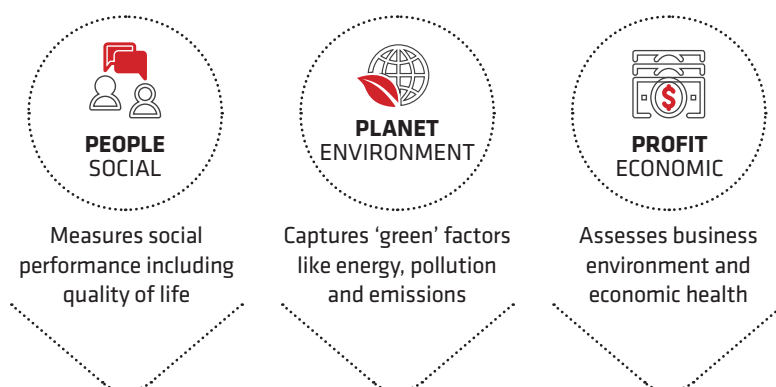
SUSTAINABILITY REPORT

Over the past decades of Trustco's existence, the world at large has made one thing clear – a pure bottom line growth focus may deliver greater profits over the short term, but if it is pursued without due regard to the environment it operates in, long term wealth creation will be impossible. As a result, the group has always been committed to a holistic approach to corporate growth – an approach that focuses on maintaining not only economic development, but also the other pillars of sustainable growth, social development and environmental development and protection.

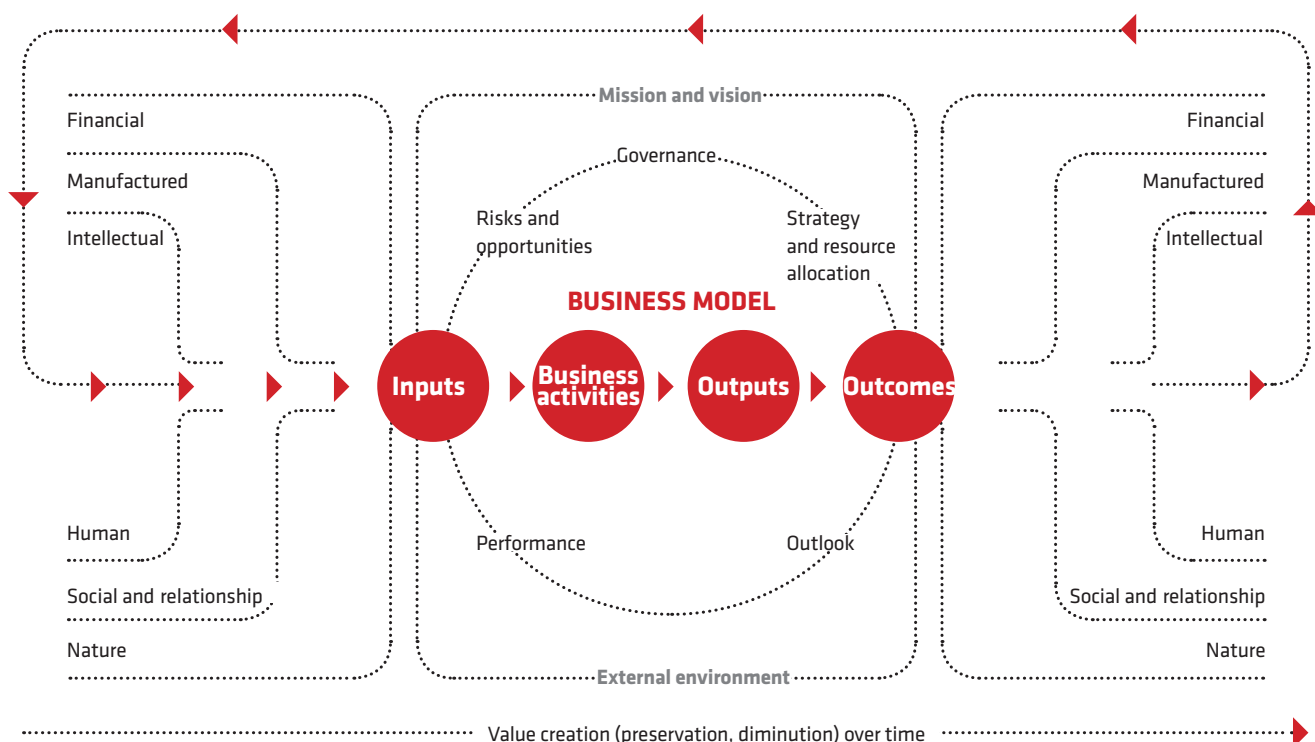
THE THREE PILLARS OF SUSTAINABLE DEVELOPMENT

It is in the interest of long term wealth creation that the group strives to maintain a balance between the three pillars – economic, social and environmental – as well as the six types of capitals that develop between them.

The three pillars of sustainable development interact in various ways to give rise to the six capitals that the group builds upon and develops to ensure its long term success.



CAPITAL DEVELOPMENT FOR SUSTAINABLE GROWTH



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ENVIRONMENTAL - ECONOMIC RELATIONSHIP: NATURAL CAPITAL

Natural capital is the underlying resource that all other capitals build upon. This not only includes those resources normally thought of as natural capital, such as water, land, minerals etc., but also broader resources, such as biodiversity and ecosystem health. In order to maintain its natural capital, Trustco strives to ensure that substances taken from the earth, either in extraction, use or manufacture does not exceed the environment's ability to neutralise their harmful effects. The group takes responsibility for its operations which may cause harm to the environment and minimises impact by implementing mitigating options and ensuring regulatory compliance.

It is critical that the capacity of the environment to provide ecological system integrity, biological diversity and productivity is protected. As such, any new projects and business expansions, especially under the properties division and the operations of the resources segment, are addressed with Environmental Impact Assessments (EIA) and Environmental Management Plans (EMP). The EIA and EMP identify positive and negative impacts that the group may have on the surrounding environment and communities. Negative impacts are mitigated with the support and input from the public and independent, qualified external and experienced consultants.

All sites in the property division and resources segment are awarded Environmental Clearance Certificates (ECC) as proof of compliance with national, international and best practice regulations. The group's management signed and approved a revised Environmental and Social Management System (ESMS) framework during the reporting period. The ESMS includes policies and procedures which guide and monitor the identification and management of the E&S risks in the group, inclusive of clients funded by Trustco Bank. Identification of E&S risks are approached with a due diligence process that takes into consideration impacts and practices of current and potential clients. All the transactions financed by Trustco Bank and Trustco Finance, which may have major medium or low E&S risks, including reputational risks, are monitored closely during the loan agreement period.

Further environmental initiatives such as awareness through newsletters and ongoing discussions on impacts identified in the EMP are maintained with focus on waste, recycling, saving water and energy and biodiversity. The group also creates cost competitiveness and awareness that deliver environmental gains by fuel consumption cutting, saving on printing by making use of electronic meeting packs and systems and by increasing use of video and telephone conferencing to reduce travel costs and the carbon footprint. The group has also installed green technology at its various operations and offices, such as solar panel energy and energy efficiency bulbs to reduce impact on the environment.

ECONOMIC - ENVIRONMENTAL RELATIONSHIP: MANUFACTURED CAPITAL

Manufactured capital is generally distinguished from natural capital in that this form of capital is produced for the purpose of enabling a business to operate – to produce goods and provide services. This not only encompasses the capital as it is recorded on the balance sheets, but also of the available infrastructure provided by others in the economy the group can use to create value for all stakeholders. In order to maintain manufactured capital, the group's infrastructure, technologies and processes are structured to make less use of natural capital, and focuses on the maximum use of human and intellectual capital. The group has built a brand of diverse investments and development portfolios as a responsible player in the property division. The group, through its subsidiary Elisenheim, concluded a landmark deal to sell 19

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934m² of commercial land to Oryx Properties Limited (Oryx). Oryx will construct a strip mall with shops, office space and a service station in the Elisenheim lifestyle development on the outskirts of Windhoek. This development will merge with and enhance the environment and bring quality services closer to the residents, workers and visitors of the estate. In addition, the group also launched the Ombala Development Estate in Ondangwa to improve the lives of citizens and contribute to development in the northern region of Namibia.

ENVIRONMENTAL – SOCIAL RELATIONSHIP: HUMAN CAPITAL

Human capital is embodied in the individuals that the group employs. It comprises of their collective individual capabilities, knowledge and skills – from rank-and-file employee up to board level. The group aims to have all its employees enjoy a high standard of social and mental health through the management of a Corporate Wellness Program by the human resources department. The employees are also provided with varied and challenging opportunities for promotions, training and skills development, creative outlets and recreational activities.

Trustco has won awards for the past four years consecutively in the annual Deloitte “Best Company To Work For” survey and also received a Platinum Seal of Achievement during the reporting period. The group has won the competition two years consecutively and has always been placed in the top 3 best companies to work for. The seal of achievement is an acknowledgement of a culture of consistent performance and demonstrates the group’s commitment to its people, enabling the company to market itself as an employer of choice.

In order to further enhance the skills of key personnel in the organisation, the group’s board of directors and top executives of the various segments attended a two day strategic planning and budget presentation as well as the annual board training session.

The group will continue to focus on identifying and pursuing growth opportunities in strategic sectors in Namibia and on the African continent and beyond. In order to pursue its mission to increase value and wealth for its shareholders and perfecting best corporate governance practices for the future, leadership initiatives such as a junior board mentorship program were also implemented subsequent to the reporting period.

The group recognises that there is a limited pool of skilled people available in the job market and to ensure the retention and development of this talent currently in the group, the Top 40 employees are identified and elected by their colleagues annually. These professionals embody leadership, perseverance, excellence, extraordinary performance, are team players, dedicated and represent the Trustco culture at all times.

SOCIAL – ENVIRONMENTAL CAPITAL: SOCIAL & RELATIONSHIP CAPITAL

Social capital is the level of trust that Trustco has accumulated over the years from all its stakeholders, as well as the common values between the group and the society in which it operates that allows it to conduct its business. Trustco has through its subsidiaries provided significantly towards social capital, specifically with regards to ‘social justice’, and in such a way as to ensure trusted and accessible justice and governance can be secured by the group’s clients. The group’s *Informanté* newspaper remains one of the leading newspapers in Namibia with more than 330 000 followers on Facebook, sharing news related to the community, focusing on topics and corporate activities and ensuring communities and society at large share in key positive values and unite with a sense of purpose.

The group also proved its implementation of innovation in an increasingly slow economy in which it operates by earning Royal status and placed in the Top 10

▶ **THIS PROVES
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JOB MARKET**

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of the Sunday Times Top 100 companies of the JSE for the 3rd consecutive year. Royal status is awarded to companies who have placed in the Top 20 positions for a third consecutive year.

To remain viable and relevant, the group works together with its stakeholders to find value adding solutions within its operating industries. Maintaining long term relationships with key suppliers and customers is one of the group's goals. Effective communication with customers is also vital for improving efficiency and creating savings, and remains key to providing a safe, supportive working and living environment for everyone in the community in which the group operates.

SOCIAL – ECONOMIC CAPITAL: INTELLECTUAL CAPITAL

Intellectual capital is formed by the collaboration and synergy between the intangible capitals and does not only comprise of what is termed 'intellectual property', such as patents, copyrights and licences, but encompasses much more – the collective knowledge and experience held by Trustco, its systems, procedures, its employees and protocols that provides the group with a competitive advantage.

Perhaps the most important fact about intellectual capital development is that its value cannot be developed solely by the group – without its development in the wider socio economic sphere, intellectual capital withers. Evidenced here as a milestone of achievement for the group was the company receiving a PMR Diamond Arrow Award for "Most Innovative Company/Institution in Namibia" and was placed 1st overall with the highest rating, proving the group also provides intellectual capital development to the country as a whole.

In addition to the above, Trustco's Managing Director (MD), Dr Quinton van Rooyen, continued during the reporting period with the hosting of the QVR-CODE countrywide in Namibia to address the demand for business advice in the various communities. The QVRCODE is a platform where the public, through question and answer sessions, engages with the group MD on various topics like entrepreneurship, leadership and challenges faced by communities as well as discussions based on his journey of achievements.

Internally, Trustco facilitates an environment that strives towards innovation and change, embraces the ability to adapt quickly and proactively to an ever changing environment. Trustco encourages employees to think of solutions for current and future business issues, including its brand and reputation. This sets the group apart from its competitors and gives it a significant competitive advantage.

ECONOMIC – SOCIAL CAPITAL: FINANCIAL CAPITAL

Financial capital aims to accurately represent the value of natural, human, social and manufactured capital and is the ultimate output of the economic growth machine – the measure of wealth creation. In the end, this capital cannot be developed merely by hoarding it – it is the use of financial capital that paves the way for sustainable development. The ESMS policies and procedures of the group, which guide and monitor the identification and management of the E&S risks in the group, tie in with the group's KYC and AML policies, which also extend to employees. Instances of fraud and theft are reality and are dealt with on a zero tolerance basis, as proactively as possible. Trustco also has an established whistle-blowing facility, where cases of fraudulent activities and corruption are reported on an anonymous basis. Ultimately, financial capital also includes funds obtained through financing i.e. both local and foreign investors or generated by means of the group's productivity and operations. The group's supply of financial capital is also a measurement of the group's performance and its success in wealth creation.



companies on the JSE for a 3rd consecutive year.



FACTS:

Trustco incorporates the ability of employees to think of resolutions for current and future issues, including its brand and reputation.