

## SUSTAINABLE DEVELOPMENT REPORT

### BACKGROUND

The company has always been committed to an integrated approach to corporate growth – an approach that focuses on maintaining not only economic development, but also sustainable growth as well as social and environmental development and protection. To improve competence, key sustainability issues are addressed and evaluated by management.

Trustco engages and participates in sustainable strategies to incorporate a broader agenda that is driven by the United Nations (UN) Sustainable Development Goals (SDGs). Sound environmental, social and governance (ESG) practices are crucial to building and maintaining resilient assets and businesses. Policies governing these practices form an integral component of the value creation process to ensure sustainability. To realise and maintain sustainable operations, SDG themes are implemented and maintained through ongoing initiatives.

Trustco is committed to transforming capitals by evaluating Key Performance Indicators (KPIs) through risks, opportunities, strategies and performance to ensure investment activities are ongoing and sustainable. Evaluation of capital inputs ensure that value is created for shareholders during the outcome process. Despite the economic climate in the country, Trustco is proactive and geared with expertise to ensure resilience during tough times.

Diversification was identified as key to assist with the means to generate sustainable capital and income. Through diversification, Trustco has built strong fundamentals rooted in the important principle of wealth creation.

Trustco Group as an investment holding company holds underlying investments in a diverse range of industries. Trustco is committed to invest in companies that act responsibly in respect of environmental, social and governance matters. These investees are separately and independently managed. This report contains an overview of some of the CSI initiatives undertaken by Trustco as well as its investees and, although not a comprehensive list, it illustrates and gives an overview of the dedication of Trustco and its investees to improve the countries in which Trustco invests and where its investees operate.

Trustco group remains convinced that a pure bottom line growth focus cannot deliver the group's vision of long-term wealth creation. As such, it has an integrated approach to growth, one focused not only on economic development, but also on social as well as environmental development.

The three pillars of sustainable development coalesce in diverse ways to create the six types of capital the group itself and its investee companies are focused on.

CAPITALS	INPUTS	OUTCOMES
<p><b>FINANCIAL CAPITAL</b></p> <p>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</p>	<ul style="list-style-type: none"> <li>Funds invested</li> </ul>	<ul style="list-style-type: none"> <li>Headline earnings</li> <li>NAV increase</li> <li>Revenue increase</li> <li>Share price growth</li> <li>Return on investments</li> <li>Revenue generated</li> </ul>
<p><b>HUMAN CAPITAL</b></p> <p>Human capital is embodied in the individuals employed by Trustco. It comprises of their collective and individual capabilities, knowledge and skills – from rank-and-file employee up to board level</p>	<ul style="list-style-type: none"> <li>567 employees employed in Trustco and its investees</li> <li>Ensuring a diverse and engaged team</li> <li>Upskilling and development of employees for future roles</li> </ul>	<ul style="list-style-type: none"> <li>A total of NAD 1.2 million contributed towards training and training levies</li> <li>Skilled, motivated, productive and dedicated employees</li> </ul>
<p><b>INTELLECTUAL CAPITAL</b></p> <p>Intellectual capital is formed by the interrelation of other intangible capitals and does not only comprise of what is termed 'intellectual property,' such as patents, copyrights and licences but encompass much more – the knowledge held by Trustco, its systems, procedures and protocols that provide it with a competitive advantage against its peers</p>	<ul style="list-style-type: none"> <li>Diversified management team with business and industry knowledge</li> <li>Encouraging and facilitating an environment that thrives on innovation and change</li> <li>Customised ICT systems</li> <li>Trademarks</li> </ul>	<ul style="list-style-type: none"> <li>Cost savings by streamlined and in-house support services</li> <li>Strong brands of investments</li> </ul>
<p><b>MANUFACTURED CAPITAL</b></p> <p>Manufactured capital is distinguished from natural capital in that this form of capital is produced to enable a business to operate – to produce products, goods and provide services. This not only encompasses the capital as recorded on the balance sheets, but also the available infrastructure provided by others in the economy which the company can use to create value for stakeholders</p>	<ul style="list-style-type: none"> <li>ICT Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Smooth business operations</li> </ul>
<p><b>NATURAL CAPITAL</b></p> <p>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</p>	<ul style="list-style-type: none"> <li>Use of water, energy and paper</li> </ul>	<ul style="list-style-type: none"> <li>Optimise water, energy and paper usage</li> <li>Continued awareness on recycling</li> <li>Limited travelling</li> <li>Environmental impact monitoring</li> </ul>

# SUSTAINABLE DEVELOPMENT REPORT

(CONTINUED)

## CAPITALS

### SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital is the level of trust that Trustco has accumulated over the years from stakeholders and emphasises the common values between the group and the society that it operates in that allows it to conduct its business

## INPUTS

- Managing stakeholder relations
- Corporate social investments spent a total of NAD 3.6 million for the reporting period
- Follow regulatory and best practices guidelines and demonstrate leadership in the industries in which the group operates
- Be inclusive, inviting stakeholders' views where appropriate to improve engagement and to promote accessibility

## OUTCOMES

### ADDING VALUE

Trustco and the portfolios it invests in are committed to transforming capitals by evaluating KPIs through risks and opportunities, whilst strategies and performance ensure activities are ongoing and sustainable. Evaluation of capital inputs ensure that sustainable and long-term value is created for shareholders during the output process.

### TRUSTCO GROUP

Trustco group continued its annual support of the Trustco United Sports Club in Windhoek, Namibia. This long-standing partnership ensures that Trustco United develops and maintains its facilities in top class quality. Proven to be a worthy investment over the years, Trustco United has attracted and developed some of the top performers in the country across different sporting codes nationally and internationally.

The Trustco NTA Juniors and Junior Masters are two major tennis tournaments the group sponsors annually that ensures that junior tennis grows and develops steadily in all regions throughout Namibia. Trustco group continuously finds innovative and creative elements on match days to ensure that both players and spectators view these tournaments as important and equally entertaining days on the Namibian social calendar.

Trustco employees and the general public had the opportunity to support a two-day COVID-19 vaccination drive at its head office in Windhoek. The vaccination drive was hosted in conjunction with the Ministry of Health and Social Services. Supported by the First Lady, Monica Geingos, this campaign re-emphasized Trustco's joint commitment with Government to ensure Namibians enjoyed a safe passage through the pandemic.

During the reporting period Trustco implemented an inaugural IT internship program, a joint initiative with the Ministry of Information, Communication and Technology. After a rigorous selection process spearheaded by Trustco, Emmanuel Joseph, a four-year graduate with a Bachelor of Science in Informatics, was selected as the successful applicant and spent a year working at the IT department of the company, gaining valuable knowledge, skills and experience.

Through its strong conviction to empower its employees, Trustco granted a long-serving and trusted Trustconian, Katrina Basson, the opportunity to enhance her knowledge and further her studies by sponsoring her Master in Business Administration (MBA) through Henley Business School.

During the reporting period, Trustco saluted seven young, dynamic individuals on their successful completion of the latest junior board mentorship programme of the company. This mentorship programme aims to provide young professionals with business acumen and essential boardroom experience.

On the back of the international success of the Namibian national cricket team at the T20 World Cup, Trustco provided the transport of national players *via* helicopter to the T20 cricket event hosted at Trustco United, Windhoek, Namibia.

## FINANCIAL SERVICES

### INSURANCE AND INVESTMENTS INSURANCE

Trustco Insurance, through its Legal Shield product, gave its support to two deserving University of Namibia Law students for the academic year. The students received financial support for studies and accommodation, as well as the opportunity to conduct their Work Integrated Learning at Trustco Insurance upon the completion of their studies. After undergoing a vigorous selection process, taking into consideration an array of selection criteria as well as personal attributes, two candidates were selected to receive bursaries. This support will enable them to focus on their studies rather than the financial burden students encounter when pursuing a higher education qualification.

### EDUCATION

Literacy and provision of quality education remain an important cornerstone in the educational development of all Namibians. The Institute for Opening Learning (IOL) donated various educational equipment, including books to the Dorado Private School. IOL is constantly working to identify and support various schools who require assistance the most.

## RESOURCES

Meya paid annual surface rent of USD 100 000.

Donation of one hand-dug well to Koakoyima community to supplement the two boreholes (previously donated by Meya) and increased access to potable water in the community. Meya contracted a community-based contractor to execute the project to support local content initiatives.

Meya made contributions to Youth in Sports activities with a donation to the Kono Cycling Association (KCA) to participate in the Tour De Lunsar cycling competition in March 2022 and also donated towards the inter-secondary school sports meet organized by the ministry of sports as part of the 61st Independence Day celebrations in Kono.

Following several stakeholder engagements with the project affected community (PAC) of Koakoyima, to update the Chiefdom Authorities and PAC households on Meya's ESIA upgrade and underground development activities, a cash sum was donated in April 2022 together with 100 bags of cement, 5 buckets of paint and 40 tonnes of construction sand to the 96 households in the 500m blast envelope. This donation was to address repairs on the minor cracks reported as resulting from blasting activities and to foster a harmonious transition from surface blasting to underground blasting, which will no longer require the temporary evacuation of people residing in the blast envelope.

NNDC participated in and was the main sponsor for the Terrace Bay Coastal Clean-Up Campaign in Namibia, hosted by the Kunene Regional Council through their Sesfontein Constituency Office.

## SUSTAINABLE DEVELOPMENT REPORT

(CONTINUED)

The event was held in November 2021 with the purpose of promoting environmental awareness and to encourage the community to maintain a clean and safe environment.

### STAKEHOLDER ENGAGEMENT

Trustco passionately believes that engaging its stakeholders is an integral part of its daily operations as opposed to a separate function. Stakeholder engagement is therefore key to achieving the triple context as it contributes to the decision making and accountability of the group in respect of economic, social, and environmental matters.

Each key stakeholder group provides a form of capital that contributes to the successful execution of the company's strategy, vision and mission. As an active corporate citizen of Namibia with investments also in South Africa, Mauritius and Sierra Leone, Trustco aspires to be known as a nation builder at the forefront of economic growth in the countries it's invested in. The company realises the importance of open and transparent dialogue with its stakeholders and continuously focuses on improving stakeholder engagement.

### STRATEGIC OBJECTIVES AND PRINCIPLES

The overall objective is to improve ongoing engagement with stakeholders to understand and to ensure their needs are considered and addressed in decision making.

#### STRATEGIC OBJECTIVES:

- support sustainability of investments in the medium- to long-term
- meet changing investor demands and expectations
- improve existing relationships with stakeholders and
- ensure best practice engagement and demonstrate leadership as an investment entity.

### KEY PRINCIPLES THAT GUIDE ENGAGEMENT

**Best practice** Follow regulatory and best practices guidelines.

**Inclusive** Be inclusive, inviting stakeholders' views where appropriate to improve engagement and to promote accessibility.

**Informative** Inform stakeholders *via* open, transparent, relevant, and timeous communication.

**Transparency** Be transparent, clearly outlining what stakeholders can expect and how their feedback will be taken into consideration.

**Listen** Listen to and seek to understand stakeholders' views and concerns.

**Responsive** Consider and respond to concerns, providing prompt and clear feedback.

**Consistent** A proactive, coordinated, and consistent approach to engagement across the group.

**Targeted** Ensure engagement is prioritised, proactive and tailored to specific issues and projects.

**Measurable** Measure the success of engagement and apply outcomes in designing and developing future engagement.

### SHAREHOLDERS, INVESTORS, FUNDERS AND ANALYSTS

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2022 KEY MATTERS
Current shareholders	Periodically, quarterly, bi-annually, annually	Transparent reporting maintained at all times with shareholders through the integrated annual report, SENS announcements, voluntary announcements, company website, social media, print media, circulars, GMs, and AGMs.	<ul style="list-style-type: none"> <li>• Overall strategic direction and updates</li> <li>• Virtual investor conferences and meetings</li> <li>• Governance and financial control</li> <li>• 2022 interim and annual audits and results</li> </ul>
Investors, funders, potential shareholders, and investment analysts	Periodically, quarterly, bi-annually, annually	Regular reporting to lenders and funders on covenants, general frequent updates, and communication via telecons, face-to-face engagement and increased media coverage and exposure to offer additional confidence and security in the sustainability and governance.	<ul style="list-style-type: none"> <li>• Regular investors presentations and conference calls</li> <li>• Debt restructuring process</li> <li>• Raising new debt facilities</li> <li>• 2022 interim and annual audits and results</li> </ul>

### DIRECTORS AND EMPLOYEES

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2022 KEY MATTERS
Board and committee members	Periodically, quarterly, annually	Formal and informal meetings, regular communication, telecons, memoranda and correspondence between management and the board <i>via</i> the company secretary.  Regular site, offsite and other informal visits to ensure a better understanding of operations, projects, progress and issues.	<ul style="list-style-type: none"> <li>• Strategic sessions</li> <li>• Operational and financial performance updates</li> <li>• Corporate governance issues</li> <li>• Debt restructuring process</li> <li>• Raising new debt facilities</li> <li>• Strategic planning and budget session between the board and senior executives</li> </ul>

## SUSTAINABLE DEVELOPMENT REPORT

(CONTINUED)

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2022 KEY MATTERS
Employees	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	<p>As an employer of choice employees are kept abreast of all company information, the latest content of the integrated annual reports as well as company policies on an e-policy system.</p> <p>Communication and engagement with employees through various committees and forums including a company intranet, emails, SMS and WhatsApp groups.</p> <p>Employees were offered both formal, informal, and in-house training and skills transfer to ensure they can successfully fulfil their roles.</p> <p>Open door policy with management, daily coffee table meetings and one-on-one meetings with management and HR.</p> <p>Quarterly self-assessments with management input and formal one-on-one annual performance evaluations.</p> <p>Active COVID-19 related communication, engagements and protocols, including educational programmes and awareness on vaccinations.</p> <p>Weekly team building games between the Trustco Cops and Crooks social teams promote interaction and team work.</p>	<ul style="list-style-type: none"> <li>• Compulsory tests on the Trustco's annual reports in order to qualify for annual salary increments and quarterly bonuses</li> <li>• Compulsory annual AML testing and fraud awareness refresher training</li> <li>• Compulsory ICT security awareness training for all employees</li> <li>• Uniform application of approved policies</li> <li>• Recession and COVID-19 pandemic resulted in restructuring and impacted on job security</li> <li>• Consequence management, transparency, and accountability</li> <li>• Upskill employees for future roles in a digital world</li> </ul>

### GOVERNMENT, REGULATORS, COMMUNITY, CLIENTS, SERVICE PROVIDERS AND MEDIA

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2022 KEY MATTERS
Government and regulatory bodies	Periodically, quarterly, bi-annually and annually	<p>Highest standard of compliance with corporate governance principles, legislation and regulations across all entities and to various regulatory bodies.</p> <p>Open and transparent communication with all government agencies and regulators.</p>	<ul style="list-style-type: none"> <li>• Global COVID-19 pandemic created operational challenges as well as required reporting on compliance</li> <li>• Trustco engaged with relevant regulators at all times prior and during this reporting period</li> </ul>
Community	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	Charitable donations, community outreach and upliftment programmes, sport development sponsorships.	<ul style="list-style-type: none"> <li>• Refer to the Adding Value section in this report</li> </ul>
Clients, service providers and media	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	<p>Provision and maintenance of service excellence through research of customer expectations and needs, communication via call centres, electronic mail and SMS, social media, contact classes and phone calls. Active web and social media interaction to increase visibility (such as Facebook, Instagram, YouTube, and Twitter), Informanté digital news, marketing community related topics and corporate activities, media briefings and information sessions.</p> <p>Continuous interaction and service level agreements with service providers.</p>	<ul style="list-style-type: none"> <li>• Full digital migration to ensure service delivery during the pandemic and thereafter</li> <li>• Active engagement on social media platforms</li> <li>• Reporting material matters to the social and ethics committee</li> <li>• Information and contact sessions</li> <li>• Ongoing education of clientele regarding financial literacy and financial planning</li> <li>• Digital migration provided numerous alternative platforms for interactions with the company</li> </ul>