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FIRSTRAND GROUP

CLIMATE CHANGE STATEMENT

AUGUST 2010



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Climate Change, an important issue to FirstRand

The issue of climate change has become a significant issue for business, and although the financial sector itself does not produce a significant amount of greenhouse gas (GHG) emissions, the operations of our clients may be more carbon intensive.

Investment and financing decisions have the potential to profoundly change South Africa's GHG emissions footprint and could play a major role in the transition to a low carbon economy in South Africa.

FirstRand's goal, as one of the largest financial institutions in South Africa, is to promote sustainable business practices both internally within our management structures, as well as with our clients.

We aim not only to manage and mitigate the risks that FirstRand face due to the impacts of climate change, but to identify opportunities where FirstRand can play a role in the management of climate change, and improve their own business practices.

We aim to play a role in engaging with our clients to make them more aware of their potential risks and opportunities related to climate change and to assist our clients in adapting to climate change challenges.

What are we doing in relation to climate change at FirstRand?

In terms of managing the impact of climate change and the associated opportunities, FirstRand has developed a climate change strategy. The FirstRand climate change strategy is inherently linked to the future growth strategy for FirstRand, and the document details FirstRand's approach and management of climate change related risks and opportunities which both directly and indirectly impact FirstRand's sustainability as a company in South Africa.

Direct Impact

The management of our direct risk in relation to climate change is achieved through the measurement and monitoring of our carbon footprint. FirstRand began the journey of calculating their carbon footprint in 2007, but have established their most complete baseline in 2008 for its South African operations.

FirstRand have included the Groups carbon emissions from Scope 1, Scope 2 and selected Scope 3 emissions. This calculation is now done on a quarterly basis, and is included in our key performance indicators in terms of environmental risk. FirstRand participates and discloses our externally verified carbon footprint annually in the Carbon Disclosure Project Report.

Emission intensity reduction targets have been set for FirstRand in order to reduce our carbon footprint. The management of our direct climate change risks and our emission reduction initiatives is inherently linked to our energy management strategy due to the fact that approximately 90% of our carbon emissions result from energy consumption. FirstRand is also a signatory to the South African Energy Efficiency Accord, and is contributing in achieving South Africa's energy efficiency targets.

"FirstRand has leading governance structures for addressing climate change, have a climate change policy, Board oversight and senior management responsibility, employee training and public disclosure of efforts. This places FirstRand at an advantage for effectively implementing strategy in addressing climate change risks. Sound corporate governance practices position FirstRand to take early action on emerging opportunities related to climate change. As a developing country we cannot miss the opportunity of transition towards a low carbon economy. Sustainable economic development is not a luxury, but a requirement to strategically position our economy for this century"
Sizwe Nxasana : CEO
FirstRand



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Future Commitments

FirstRand have set itself performance targets for both the short and long term in relation to climate change performance and will continue to adapt its business practices to manage climate change risks and attendant opportunities.

FirstRand will continue to capture and estimate the group's carbon footprint and reduce its emissions in view of its expansion activities, as well as aiming to improve on the completeness and accuracy of the calculation of the carbon footprint within reasonably practicable and cost effective means.

First Rand is committed to assisting its customers in the effective use of our products and services to assist them in improving their behaviour and performance in relation to climate change.

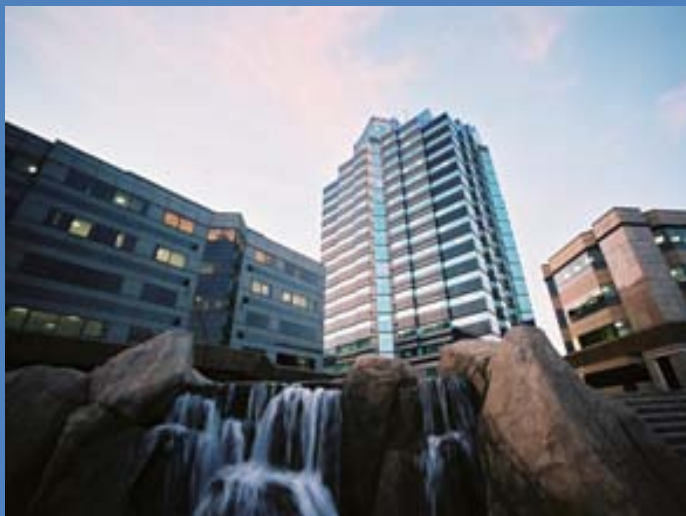
FirstRand will continue to engage its employees and raise further awareness on what actions our employees can take to reduce their carbon emissions both at work and at home.

FirstRand will continue its research and investment into product development in relation to climate change products that will enable our clients to become more energy efficient and reduce their own carbon footprints.

FirstRand has introduced environmentally related questions into procurement tender documents in order to evaluate the awareness of suppliers around the environmental impact of their product and services.

FirstRand will continue to support and engage with authorities and regulators in the development of effective climate change policy and regulation.

FirstRand will continue to report publicly and transparently on our carbon performance and progress in meeting our set targets, and participate in the Carbon Disclosure Project.



We aim to reduce our carbon footprint as low as is practicably possible, prior to considering offsetting the emissions from our operations. In consideration of offsetting, we envisage investing in a project that is SA based, thereby stimulating the CDM market in SA.

Employee awareness campaigns and presentations to stakeholders allow FirstRand to be an ambassador of climate change issues. We encourage long term interventions by employees ensuring sustainable impacts on our employees, communities and operations through our FirstRand Volunteers program and we conduct various internal awareness campaigns and participate in environmental events such as Earth Hour annually.

Indirect Impact

In terms of the management of our indirect risks and opportunities associated with climate change, FirstRand acknowledge that a large portion of our climate change risk is as a result of our client's exposure to risk.

FirstRand have embarked on a climate change risk evaluation process through our Environmental, Social and Governance risk identification processes. Significant climate change risk developments identified through this process can be used by business units to determine the financial implications of these risks in line with their business strategies.

The creation of products , as well as participating in discussions with development finance institutions (DFI's) both locally and globally, enables FirstRand to play a role in terms of facilitating finance for clients, thereby assisting in stimulating investment into a low carbon economy.

FirstRand is a signatory to the Equator Principles, the United Nations Global Compact, and is a member of the



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United Nations Environment Programme Finance Initiative and through these memberships is committed to evaluating the business risks and opportunities for financial institutions in relation to climate change in South Africa.

Strategic engagement with authorities and regulators, and involvement in industry working groups enable FirstRand to influence South African policy and regulation in relation to climate change. Our CEO, Sizwe Nxasana, has volunteered through an National Business Initiative, CEO Initiative, to be both an energy efficiency and climate change business leader in SA, assisting the process of engagement with authorities in relation to the business imperatives of climate change and energy efficiency. FirstRand also holds membership to the BUSA climate change financial mechanisms working group, discussing issues of carbon taxation, regulation and carbon trading in collaboration with the JSE, the Banking Association of South African Sustainable Finance Forum, a sub-committee of the Banking Association of South Africa, wherein feedback is provided through BASA to relevant authorities on environmental issues impacting the financial sector, and the National Business Initiative Climate Change Advisory Group.