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21 October 2013

H.E. Ben Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to reaffirm that the Investec Group is committed to the ten principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption. We remain committed to building a sustainable business model that allows us to make a valuable contribution to society, macro-economic stability and our environment. With this communication we express our intent to advance those principles within our sphere of influence by embedding the principles into our strategy, culture and day-to-day operations.

During the last year Investec integrated sustainable business practices into its operations through its membership to the UNPRI and by following the recommendations and guidelines of the King III code in South Africa and the Global Reporting Initiative (GRI) for our reporting purposes.

This Communication of Progress provides an abridged view of the practical actions we have taken to implement the Global Compact principles and our measurement of the outcomes in each of the four areas (human rights, labour, environment, anti-corruption). We therefore request that you read this report in conjunction with our 2013 Sustainability Report.

Kind Regards,



Mr Stephen Koseff
CEO Investec Group

Human Rights

Commitment

- Principle 1: The Investec Group supports and respects the protection of internationally proclaimed human rights; and
- Principle 2: We are committed to ensuring that we are not complicit in human rights abuses.

Human rights

We support and respect the protection of internationally proclaimed human rights and are not complicit in any human rights abuses. We do not have a formal human rights policy for the group as this would fall within the ambit of our Code of Conduct but we do adhere to the relevant laws in all our jurisdictions.

Our philosophy as an organisation is to respect the dignity and worth of the individual. We uphold the constitutional rights of our employees at all times do not practise forced or compulsory labour and do not employ children.

Promoting equity and diversity in the workplace

Our promotion of equal opportunity and workplace diversity is not merely a social responsibility, but a means of ensuring that we foster a culture of diversity in the belief that this brings business advantage. We have various processes to encourage debate and dialogue around appreciating diversity and different cultures. Emerging and established leaders are invited to participate in talent discussions with executive management around all issues related to talent management. In addition, our Zebra Crossing initiative, which is aligned to our employment equity plan, aims to raise levels of multicultural awareness of staff at Investec.

Transformation

In South Africa, Investec remains committed to black economic empowerment. Our approach involves:

- Using our entrepreneurial expertise to foster the creation of new black entrepreneurial platforms
 - Serving as a leading source of empowerment financing
 - Encouraging internal transformation by bringing about greater representivity in our workplace.
- In this regard, we are focusing on creating black entrepreneurs within the organisation.

We have received a level 3 BEE rating in accordance with the Financial Sector Charter. We are committed to achieving and sustaining an equitable workplace that encourages and manages diversity. Meaningful engagement and consultation took place with employees across the group as part of a process to develop a new employment equity plan. In this regard, two studies relating to employment equity and diversity were conducted during the year and a new employment equity plan was submitted to the Department of Labour.

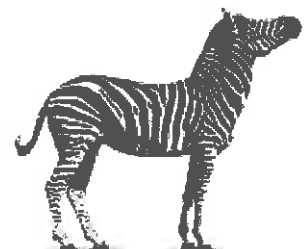
Recognising that enterprise development is vital to South Africa's transformation aspirations, we launched an Enterprise Development programme in partnership with Raizcorp to back 12 entrepreneurs who are managing their own business and have potential to grow and create jobs.

Procurement Policies

We recognise the potential for our procurement and supply chain practices to be agents for change in respect of the different aspects of sustainability. We continue to engineer, within select industries, changed outcomes across economic, social and environmental fronts.

In the UK additions have been made to our procurement policy to incorporate both green and corporate socially responsible aspects. We now incorporate evaluation criteria into all of our procurement documentation to allow us to measure and demonstrate our intent to procure effectively without compromising the environment.

In South Africa, our procurement practices seek to accord with the BEE requirements of the Department of Trade and Industry's Codes of Good Practice and we have an established process for monitoring and measuring our broad-based BEE procurement efforts.



Environmentally responsible partners are key to the procurement process and we focus on sustainability criteria when contracting with potential and existing vendors.

Our largest suppliers of PCs and server equipment subscribe to an electronic code of conduct which assists in monitoring compliance across several areas such as environmental impact, labour, health and safety. We always consider the Energy Star endorsement before purchasing equipment.

Labour

Commitment

- Principle 3: The Investec Group upholds the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: The Investec Group upholds the elimination of all forms of forced and compulsory labour;
- Principle 5: The Investec Group upholds the effective abolition of child labour; and
- Principle 6: The Investec Group upholds the elimination of discrimination in respect of employment and occupation.

Freedom of association

We fully support employees' right to freedom of association. There is no representative trade union for Investec and we are not aware of any employees who are part of a trade union. We do however uphold the constitutional rights of the individual to freedom of association.

Discrimination

We endeavour to prevent and/or eliminate any form of discrimination based on gender, race, religion, age and sexual preference (or any other basis). Investec has a formal grievance procedure (and a written policy) to deal appropriately with any incident which may occur. Furthermore, there are several informal avenues for employees who wish to discuss concerns for example, OD, HR, Employee Relations and our independent external consultants.

Sustainability risk considerations when making lending or investment decisions

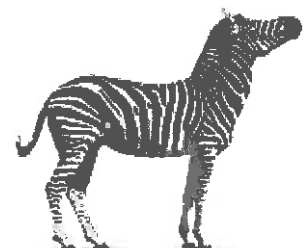
The group avoids transactions in the following industries:

- ❑ Production or activities involving exploitation forms of forced and harmful child labour
- ❑ Production or trade in any product or activity deemed illegal under the country of operation's law and regulations
- ❑ Production and trade in weapons and munitions
- ❑ Production of harmful or addictive substances in a socially irresponsible manner.

Health and safety

A group-wide formal health and safety programme identifies and manages all health and safety risks, and carries out regular safety audits. It is overseen by a health and safety committee that meets quarterly to review health and safety concerns. In South Africa, Investec's HIV/Aids policy and management forum extends to all permanent employees.

To enable and develop employee health and wellbeing, Investec provides employees with a bespoke Employee Assistance and Wellbeing Programme. The comprehensive and integrated Health and Wellbeing Programme, which expresses our focus of care and concern for the wellbeing of employees, provides personalized wellness interventions offered in face-to-face counseling and coaching. The wellness interventions are provided by a multidisciplinary team of select health professionals who are all specialists in their fields of practice. Investec values the physical and psychological health, welfare and safety of our people. Our offices also host wellness days for staff to raise awareness and education around health issues through a unique, fun and interactive approach which focuses on physical and mental health.



Environment

Commitment

- Principle 7: The Investec Group supports a precautionary approach to environmental challenges;
- Principle 8: The Investec Group undertakes initiatives to promote greater environmental responsibility; and
- Principle 9: We encourage the development and diffusion of environmentally friendly technologies.

Our environmental policy

- We will consider any meaningful activity that either reduces the negative impact on, or prolongs the life of, our planet
- ☐ We believe that as a bank, and given our positioning in the first world and emerging world, we can make a meaningful impact in addressing climate change
- ☐ Internally, we focus on creating awareness and encouraging behavioural change
- ☐ Externally, we are increasingly incorporating environmental considerations into our daily operations
- ☐ We recognise the opportunities for our clients and businesses in cleaner and renewable energy sources, energy efficiency and responsible lending and investing.

Highlights in renewable energy financing and investing

Technology, climate change and economic growth are driving activity in the power sector. Governments are turning to renewables in the pursuit of clean power with wind farms, solar PV, geothermal and biomass projects being scaled up and accelerated. Furthermore, increased thermal generation capacity is being commissioned to meet growing power requirements in fast growing new economies, to replace ageing power generation equipment. Investec Corporate and Institutional Banking have facilitated numerous projects in the renewable and conventional power sectors across the globe.

South Africa is addressing a number of challenges in its energy sector, including the need to meet growing demand and avoid power cuts, as well as diversifying its energy mix away from coal. Investec has committed R3.2 billion to three renewable energy projects as part of round two of the government's Renewable Energy IPP process.

Biodiversity

Given Investec's African roots, we are passionate about ensuring the continued existence of a number of African species. We therefore fund three key biodiversity projects which are focused around rhinos, wild dogs and the impact of renewable energy on local birdlife. These initiatives allow Investec to give back to the environment and help ensure the sustainable existence of South African wildlife.

Environmental education

Investec believes that one way for us to have a truly meaningful and lasting impact on the environment is through increasing people's knowledge and awareness about the environment and associated challenges. Investec holds a number of initiatives and internal talks aimed at educating staff about the environment and changing behavior in their day-to-day lives in order to help sustain their local surroundings. One such initiative included a presentation to staff based on Al Gore's 24 Hours of Reality highlighting the link between recent extreme weather events, including floods, droughts and storms, and the manmade pollution that is changing our climate.

Investec Property sponsored a non-profit organisation, Project 90, spending about R30 000 on a Youth Day event in South Africa to raise awareness around World Environment Day. Children from 30 schools in the Western Cape, Kwa-Zulu Natal and Gauteng were taken to an environmental place of interest to educate them about the environment, climate change and reducing their carbon footprint.



Sustainability risk considerations when making lending or investment decisions

The following will be taken into consideration before transaction approval:

- Environmental risk is assessed before the deal is approved, and at any new decision points in the deal.
- Environmental sensitivity of new clients will be investigated as stated above and environmental sensitivity projects will be evaluated periodically as to the effects of the risks on the counterparty/entity's continuity and on the value of the collateral. The value of the collateral pledged by a counterparty may deteriorate or be adversely affected due to environmental influences
- Specifically, the following factors are taken into consideration when evaluating transactions:
 - Would there be undue damage caused to the environment
 - Would there be any damage to neighboring properties or rights
 - Can damage be done to the environment due to hazardous substances
 - Production and trade in radioactive materials
 - Production and trade in ozone depleting substances
 - Production and trade in areas where there is high conservation and/or protected areas.

Anti-Corruption

Commitment

- Principle 10: The Investec Group is committed to working against corruption in all its forms, including extortion and bribery.

Whistle blowing policy and protected disclosures

One of Investec's values requires employees to 'conduct all internal and external dealings with integrity, consistently and uncompromisingly displaying moral strength and behaviour which promotes trust'. Integrity and confidence are critical to our reputation and sustainability. The purpose of our whistle blowing policy is to encourage employees to raise concerns or disclose information about possible fraudulent, unethical, criminal or other improper behaviour or workplace misconduct in total confidentiality and anonymity and without fear of retribution. We seek to protect all employees who disclose unlawful or irregular conduct by the company, its employees or other stakeholders.

Employee training on the organisation's anti-corruption policies and procedures

All Investec employees are responsible for compliance and risk management and therefore each employee has a responsibility to stay current with good practice, expected standards of conduct in relevant business lines and changes in law and regulation.

All staff are also expected to attend the relevant compliance training courses and complete an online assessment

Anti-money laundering policy

Investec has anti money laundering policy as well as a compliance manual and handbook that explains the procedures to follow should there be incidents of corruption. Investec has established and maintains policies, procedures and controls to ensure that, in accordance with regulatory requirements, all staff report information or other matters which come to their attention in the course of their employment and which give reasonable grounds for knowledge or suspicion of money laundering or terrorist financing activity

Note

Please also refer to pages 40 -50 of the 2013 Sustainability Report for more detail on each of the above aspects.

