



CLIFFE DEKKER HOFMEYR INC.
UNITED NATIONS GLOBAL COMPACT 'COMMUNICATION ON PROGRESS'

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Cliffe Dekker Hofmeyr Inc (CDH) reiterates our commitment as expressed in our letter of 16 September 2011 to support the 10 principles of the Global Compact with respect to human rights, labour, the environment and anti-corruption.

STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

CDH is proud to be an active participant in the largest corporate responsibility initiative in the world. This is our second Communication on Progress (COP) which describes our firm's efforts to implement the 10 principles of the UN Global Compact.

Commitment to the implementation, disclosure and promotion of the ten universal principles

At CDH we believe that everything matters when it comes to the way we service and interact with our clients, our people, communities and the environment.

Our firm is sensitive to the broader socio-economic and environmental context within which CDH conducts its business, and strives to make a positive contribution to South Africa's developmental challenges. This starts with the implementation of our

strategic and operational business practices, flows through to the high quality legal advice across the full range of legal services, and even encompasses the various alliances we have established with African and international clients and partners.

We have implemented wide-ranging initiatives to achieve our aspirations concerning employment equity and transformation, corporate social responsibility, environmental preservation and anti-corruption measures.



Brent Williams, Chief Executive Officer,
Cliffe Dekker Hofmeyr Inc

CDH has adopted a Corporate Social Investment Policy, a Pro Bono Policy, and a Human Rights Statement. CDH has also established a Social and Ethics Committee in terms of the Companies Act, No 71 of 2008 (The Companies Act).

HUMAN RIGHTS PRINCIPLES

Human Rights Statement

In 2013 we adopted a Human Rights Statement as a manifestation of our firm's commitment to human rights. In that statement we record as follows:

- We are cognisant of the social context within which we operate as a law firm, and we are committed to respecting the rights entrenched in the Constitution of the Republic of South Africa, and in particular the Bill of Rights.
- We confirm that we support upholding the rights entrenched in the United Nations Universal Declaration of Human Rights, the African Charter on Human and Peoples' Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the core conventions of the International Labour Organisation (ILO).

- We confirm our commitment to respecting the ten principles of the United Nations Global Compact.
- We communicate our commitments as set out in this Human Rights Statement to our clients, employees and other stakeholders.

Our Work in Promoting Human Rights

We strive on a continued basis to realise our human rights commitments in various ways. First, we try always to ensure in our everyday conduct that we promote and respect the rights and interests of all of our employees by means of adherence to the precepts of our Constitution and our domestic labour, employment equity, occupational health and safety and other relevant legislation. In this regard we recognise the need to continuously work at promoting a more inclusive and diverse work culture in which the equal rights of

all are advanced and employees are encouraged to raise any grievances in accordance with our grievance policy. Our ongoing progress in this regard is outlined in more detail below.

Second, through the implementation, as described below, of the pro bono policy that our firm has committed itself to. Our dedicated Pro Bono and Human Rights Practice continues to provide thousands of hours of pro bono assistance each year in the implementation of this policy, to numerous people and organisations who are unable to afford to pay for these services. Other members of the firm are actively encouraged to do pro bono and human rights related work and also commit numerous hours on an annual basis to this type of work. As part of our commitment to human rights and the Constitution the firm has dedicated significant resources to a number of court cases aimed at promoting the rule of law

and enforcing various rights in the Constitution, with a particular emphasis over the relevant period, on the right to access to information and the rights of refugees. More details of our efforts in this regard are dealt with below.

Third, through the firm's ongoing commitment to corporate social investment. We continue to dedicate significant financial and human resources to various social investment projects, vehicles and causes. A summary of our corporate social investment projects and activities for the period under review is provided below.



PRO BONO POLICY

During the period June 2013 to August 2014 the firm donated in excess of R10 million in pro bono legal services and was involved in a number of important high profile rule of law and human rights related court cases.

Some of the cases that deserve special mention include:

- The matter of *Freedom Under Law v National Director of Public Prosecutions* in which we successfully assisted Freedom Under Law (FUL), a non-profit organisation whose mandate is to promote democracy under law and advance the understanding of and respect for the rule of law and the principle of legality in Southern Africa, to review a very controversial decision by various role players including the National Director of Public Prosecutions (the NDPP) and the National Commissioner of Police (National Commissioner) to drop criminal and disciplinary charges against Lieutenant-General Richard Mdluli, the suspended Inspector General of intelligence, which charges included charges of murder, fraud and corruption. As a result of the case, in which some ground breaking findings concerning the court's powers to review decisions of the prosecution authorities in accordance with the rule of law principle were made, the NDPP has recently advised that it will be reinstituting some of the criminal charges against Lieutenant-General Mdluli and the National Commissioner has communicated a decision to reinstitute disciplinary proceedings against him.
- The matter of *National Commissioner South African Police Service (SAPS) v Southern African Human Rights Litigation Centre & Another (Peace and Justice Initiative (PJI) and Six Others as Amicus Curiae)* which concerned the question whether the SAPS and the National Prosecuting Authority are empowered and/or obliged to investigate and prosecute allegations of torture committed in Zimbabwe irrespective of whether the alleged perpetrators are present within the territory of the Republic, in accordance with its international law obligations. The matter was ultimately decided by the Constitutional Court and CDH acted for the PJI which was admitted as an amicus curiae in the Constitutional Court proceedings.
- The matter of *MandG Centre for Investigative Journalism NPC & Another v The Minister of Public Works and Another* which concerns a request for access to information from the State (made in terms of our access to information legislation) relating to the controversial use of over

R210 million of public funds to make improvements to the President of the Republic of South Africa's (President Zuma's) Nkandla estate. The State denied the request for access to the information concerned and the matter was heard in the North Gauteng High Court. CDH was acting for the South African History Archive Trust (SAHA) and the Democratic Governance and Rights Unit, both of which were admitted as amici curiae and made submissions in favour of the granting of access to the information requested.

The firm also spent many hours providing free legal services to poor and vulnerable people through various law clinics which the firm assists in staffing, including an Inner City Housing Clinic, a Refugee Law Clinic, a labour law advice centre (the SASLAW Labour Clinic), Master's Office Helpdesk and a Corporate Governance Clinic. Partners of our firm also regularly act as Acting Judges in the Labour Court on a pro bono basis.

The Inner City Housing Clinic

Access to adequate housing remains arguably the biggest socio economic rights challenge in South Africa, and millions of people continue to live in deplorable conditions both inside cities and on their outskirts, as well as in rural areas. Our involvement in the Inner City Housing Clinic (in Johannesburg) enables our Real Estate practice to assist poor and indigent clients with the provision, inter alia, of general legal advice regarding housing related matters and assisting with eviction and spoliation matters.

The Refugee Law Clinic

At the Refugee Clinic our attorneys assist refugees and people seeking refugee status from all parts of the African continent with a range of legal assistance, including the provision of advice, assistance with obtaining refugee permits and the prosecution of appeals against decisions refusing refugee status before the Refugee

Appeal Board (the RAB). The Pro Bono Practice is also currently assisting with court proceedings to review decisions of the RAB refusing to grant refugee status to would be applicants.

The SASLAW Labour Clinic

CDH attorneys help to staff the South African Society for Labour Law (SASLAW) Advice Centre in both Gauteng and Cape Town. The Labour Clinic assists people with labour law issues who would not otherwise have access to justice by providing advice, drafting legal papers and by making court appearances.

Our Goals

Our goals for the future year are to continue to provide access to justice to poor and vulnerable people and to continue to promote and protect human rights and the values of our Constitution through litigation, training and involvement in other key initiatives.

Corporate Social Investment

CDH remains committed to discharging its corporate social investment obligations through the continued enforcement of its corporate social investment policy, as overseen by the Social and Ethics Committee (SEC). It is actively involved in a number of corporate social investment initiatives and projects and also continues each year to make significant donations to various charitable causes which donations are recorded in its donations register.

Some of the main projects and initiatives with which CDH was involved over the reporting period include:

Ikamva Labantu

We continue to provide support to Ikamva Labantu, a well-respected non-profit organisation whose primary objectives are to redress the damaging effects of South Africa's apartheid past.

Established in 1963, Ikamva Labantu helps build communities by connecting with leaders, teachers and guardians who are already committed to supporting and uplifting those around them. This is achieved through providing training, teaching and support. Ikamva Labantu works with seniors, orphans and vulnerable children; in the fields of early childhood development and primary healthcare and also runs and facilitates projects in townships across Cape Town.

Our Cape Town office provides Ikamva Labantu with ongoing pro bono legal assistance, including providing advice on various legal and governance matters.

Come Together Children's Home

In 2005, CDH sponsored the acquisition and ongoing maintenance of a nine-hectare property on which two foster homes for predominantly AIDS orphans from the former township of Sebokeng have been established.

The property also serves as the base from which the caregivers go out on a daily basis into the townships to feed, clothe and generally care for and assist orphans in child, relative or friend-headed families. Children in

need of special care are also brought on to the property and cared for until they can go back into their community. Weekends are special occasions when all the children, whether orphans or not, 'come together' at the property, and special activities are arranged for them.

The home has opened its facilities to the wider community, as the community feels the need. It provides a three class room crèche, and the space and training for a sewing group and market gardeners. These grass-roots nodes of development will increase and change, in response to the community's calls from time to time.

We continue to support the home regularly with major capital acquisitions (for example we recently

purchased a vehicle for the home) and our staff continue to support the home regularly with monetary donations, gifts of food, clothing, books, toys and other items that are of use to it.

Bulelani Ku Yehova Crèche

We continue to provide support to the Bulelani Ku Yehova crèche located in Cape Town which looks after over 100 children aged between six months and six years. When CDH initially started supporting the crèche, its premises consisted of two temporary structures that housed the children in all weather conditions. They had no running water, toilets or electricity.

The state of Bulelani crèche has undergone miraculous changes, owing mostly to the passionate work of Maria Ndlezana, a woman of great warmth and strength. With the help of the local authorities, Maria has been able to move the crèche into new permanent buildings.

CDH's first official contribution was assisting Maria through committing our legal skills and knowledge in

setting up a trust through which she can operate the crèche and raise funds to continue her good work. We further assisted the Bulelani crèche in its successful registration as a Public Benefit Organisation.

CDH has purchased and donated furniture and fittings for the new crèche. Our employees also donate groceries and other necessities to the crèche on an ongoing basis. CDH employees also visit the crèche and often arrange celebratory events for the children.

Vodacom Change the World Programme

The Vodacom Change the World Programme is a project which was developed in 2011 which provides individuals with an opportunity to volunteer their time and skills to work at a Non-Profit Organisation (NPO). CDH has been involved with the Programme since its inception and continues to provide participating NPOs with various types of pro bono legal assistance ranging from

employment advice to corporate and commercial assistance.

Training Initiatives

CDH has organised, financed and/or participated in numerous community training initiatives. Some of the main initiatives we were involved in over the reporting period include the following:

- On Human Rights Day volunteers from CDH headed up by the Pro Bono and Human Rights Practice spent the day teaching one hundred and eighty scholars from disadvantaged backgrounds about their human rights in an annual training initiative set up by the Constitutional Hill Trust.
- CDH actively supported and assisted the National Moot Court Competition (the NMCC) which is a non-profit initiative that aims to foster practical skills in aspirant lawyers. To this end the NMCC facilitates a nationwide high school

level moot court competition on an annual basis. CDH recently hosted two workshops for participating learners and their educators aimed at providing participants with the practical skills required to succeed in a moot environment as well as offering a glimpse into the culture and feel of a large law firm. Professional staff from CDH will also be assisting by acting as judges at various levels of the Competition.

- Directors from CDH's Pro Bono and Human Rights Practice and its Corporate and Commercial Practice assisted an international team of attorneys in planning and delivering a week long course on the use of special economic zones as a tool for attracting direct investment and increasing development. The module forms part of Africa's first Master's

Degree on International Trade and Investment Law in Africa targeted at graduate level students from across Africa. The course was first offered in 2011 and CDH has been involved in all three years of the teaching project. It will be participating in the course scheduled to be taught later this month.

- In March 2013 the Pro Bono and Human Rights Practice was invited to speak in Sao Paulo, Brazil by the Direito GV Law School and DLA Piper. The weeklong event was titled Doing Pro Bono in Brazil: Practices, incentives and perspectives and was attended by law students from various countries. Speakers from around the world were invited to speak at the event and CDH provided a unique perspective on pro bono in South Africa.

- CDH is involved, together with DLA Piper and ProBono.Org, in the planning of a series of workshops for paralegals in the Limpopo province designed to facilitate the transfer of essential skills and knowledge of various legal and rights based topics of identified relevance to the communities they service.
- The firm runs a myriad of internal training sessions during any given year, which includes training related to substantive law issues such as commercial drafting, case law updates, and coaching sessions on topical legal issues such as the Protection of Personal Information Act, 2014 and recent amendments to the body of labour legislation.

- Our firm is accredited by the Law Society of South Africa's Legal Education and Development division (LEAD) to provide in-house Practical Legal Training (PLT) to candidate attorneys. As part of our agreement with LEAD we provide this training free of charge to a number of candidate attorneys from other law firms who are from historically disadvantaged groups. This PLT training includes training on ethical issues facing attorneys, Constitutional law and jurisprudence, gender law issues, court procedure, as well as providing training on practical administrative issues (attorneys' bookkeeping and the like).
- These internal training initiatives are managed and facilitated by our dedicated Knowledge Management function.

In addition to internal training, over time we have developed a dynamic and extensive value-add presentation

and seminar calendar for clients. During 2014 to date our firm has provided training and presentations to over 1,100 individuals representing our clients. Notable presentations have included an Equal Pay seminar at which experts in our Employment department presented on the importance of adhering to equal pay for equal work (or work of equal value) principle in light of recent amendments to labour legislation. At our jointly hosted annual Budget Breakfast the Minister of Finance's budget speech, and its implications for development and business, were unpacked by a leading professor in the field of Tax. Our own Tax practice presented on the practical issues surrounding preference shares from a tax point of view to 164 delegates in July. In February this year members of the firms Data Protection group presented to clients on the implications for and responsibilities of businesses brought about by the Protection of Personal Information Act, in both our Johannesburg and

Cape Town offices. A list of some of the other presentations, seminars and conferences appears below:

- Employment Seminar-Retrenchments
- Anti-bribery and anti-bribery training
- Immigration Seminar
- Gauteng Women in Insurance Conference

The SEC continues to report on an annual basis to the Shareholders at CDH's annual general meeting.

Our Goals

In the upcoming year CDH intends to reconsider how it can optimally dedicate resources to social investment projects and initiatives and if necessary, to consider, realigning its social investment focus accordingly. It also hopes to put in place mechanisms to ensure better management of and report back to the SEC concerning CDH's social investment initiatives.

LABOUR PRINCIPLES

Assessment, Policy and Goals

ILO Conventions have been adopted by the South African Parliament and subsequently enacted in domestic law. As a firm we are both within the letter of domestic legislation and live the spirit of such legislation. As an example, we are fully compliant with all employment equity related legislation and are firmly focused on maintaining our industry leader position in equity outcomes, through mechanisms such as our Transformation Committee (Exco level) our Employment Equity (EE) Committee (all levels of employees) and our Transformation Policy.

Implementation

We have a team of Human Resources (HR) professionals who ensure that the principles of our labour legislation are always upheld. The HR, Management and EE Committee regularly review our labour policies and procedures to ensure that they are aligned to legislation. Our grievance policy and procedures allow employees to raise dissatisfaction with individuals or processes. We train staff on awareness of discrimination including sexual harassment, as well as internal and external remedies at their disposal. Employees are further given ready access to the firm's policies and procedures, and receive regular electronic communications on equality issues. We have posters displayed across the firm with the Basic Conditions of Employment Act, the Labour Relations Act, the Employment Equity Act, and Occupational Health and Safety provisions in all pause areas, and in a variety of languages.

Measurement of outcomes – EE Stats

Internally, we manage labour violations through our disciplinary and grievance procedures. We are pleased to confirm that the firm has had no disputes in the Commission for Conciliation, Mediation and Arbitration since CDH was formed in 2008, or at the Labour Court. CDH has not had any complaints lodged against it in terms of the Promotion of Equality and Prevention of Unfair Discrimination Act. During the last year, we have reviewed and updated the following labour policies: internal and external bursaries, study leave, maternity and paternity leave, electronic communications and flexible working hours policies amongst others. We are further in the process of reviewing and updating policies on use of social media, an anti-bribery and anti-corruption policy and a data

protection and privacy policy. CDH also reports annually to the Department of Labour regarding its Employment Equity, as well as to the Law Societies on an ongoing basis.



ENVIRONMENT PRINCIPLES

Relevance of environmental protection for CDH

The legal sector has a relatively small environmental footprint. However CDH acknowledges that it has a responsibility to ensure its environmental impacts are minimised. We maintain that the greatest impact we can have on environmental sustainability is using our expertise in providing legal advice to our clients to help them understand and comply with environmental legislation and implement environmentally sound management, so as to respond to the environmental challenges facing the world.

CDH's Environmental Policy

At CDH we continue to recognise the critical importance natural resources have on economic growth and sustainable development, particularly in Africa. We still strive to reduce our environmental impact in all areas of our business and contribute to projects that support positive environmental outcomes.

Our commitment to operate in a responsible way remains focused on the following areas:

- Reduction and efficient use of water, energy and paper.
- Reduction, re-use and recycling of waste.
- Creating environmental awareness among staff, clients and business partners.
- Providing pro bono legal support to non-profit organisations (NPOs) and working with companies and local communities to implement projects aimed at fostering environmental sustainability.
- Furnishing environmental legal services to clients.

Implementation

Reduction and efficient use of water and energy

The design of CDH's Johannesburg Office ensures the efficient use of water and energy. Solar panels on the roof generate hot water and evaporative cooling in the atrium controls the air temperature. The glass used extensively on the Office facades is a low e-glass, which emits low levels of radiant energy. The top basement levels are designed to allow for natural ventilation and the Office windows are designed to allow as much light in as possible. Double-glazing on vision panels and roof insulation allows for the conservation of natural energy.

Electrical energy consumption is reduced at the Johannesburg Office through movement sensors and timers for lighting systems and the installation of new energy efficient PCs and laptops.

Due to the large portion of the carbon footprint constituting electricity usage

in the previous financial year and being disproportionately high in the Cape Town Office, our CEO and a Director in the Environmental Department had several discussions and meetings with the Carbon Neutral Group regarding energy efficiency audits of the Cape Town Office and proposals were submitted by the Carbon Neutral Group.

Given that the Cape Town Office's electricity usage still constitutes a large portion of the carbon footprint during the 2013 financial year, CDH will be conducting an energy efficiency audit on it. It is considering either conducting a visual audit by a specialist to obtain recommendations or an energy audit based on actual data collected, conducted over a period of 2 - 4 weeks. A full electricity profile would be obtained, with information on, for example, which times of the day electricity consumption peaks.

Carbon Neutral Group and CDH have also had on-going discussion regarding carbon offset projects and CDH is investigating this option.

Reduction, re-use and recycling of waste

We remain committed to reducing paper use and recycling paper, plastics and other waste. CDH continues to utilise an accredited recycling company at its Johannesburg and Cape Town Offices. As with most law firms, paper constitutes the bulk of CDH's waste stream.

An employee of the recycling company is based permanently at the Johannesburg Office to separate waste streams for recycling purposes. In addition, recycling boxes are present in prominent positions in both the Cape Town and Johannesburg Offices.

During 2013 CDH strove actively to ensure its employees recycled paper, with, 22,392kg being recycled. This is almost a 10% improvement on the amount recycled during 2012. It equates to a saving of 228 trees and 605, 936 litres of water for the equivalent amount to produce 'new' paper.

Providing Pro Bono legal support to environmental NPOS

Endangered Wildlife Trust

CDH has provided a wide range of legal services to the Endangered Wildlife Trust (EWT) during 2013, equating to approximately 300 hours free legal services. This includes various litigious and non-litigious matters. The firm received EWT's most prestige award, the Cheetah award, during the course of 2012.

Examples include:

- Providing ongoing environmental and regulatory advice to EWT's Operation Oxpecker (forming a part of its Birds of Prey Programme);
- Representing EWT in two complex and lengthy matters involving unauthorised uses of its intellectual property;
- Assisting with an in-depth review of EWT's corporate secretarial documentation and a revision

of these documents to bring its Trustees' roles and responsibilities' sections in line with those of directors, in accordance with the Companies Act 2008 and King III Standards. This entailed many hours of research and discussions with EWT's Executive Management to determine where changes, improvements and more stringent terms and conditions were required. In conjunction with this review, CDH redrafted the operating Charter for EWT's Board and the various sub-committees of the Board; and

- Many other pressing issues such as submission of a request for amended Letters of Authority from the Master, scrutiny of press releases for legal correctness, dealing with a potential defamation action against a staff member of the EWT, providing verification of EWT's legal standing in respect of internet security measures and

attendance at the EWT's Annual General Meeting in October 2013, to name but a few.

EWT stated the following in a letter of support to ProBono.Org for the Annual Pro Bono Awards Ceremony 2014.

"EWT would like to pay tribute to the Pro Bono and Human Rights Department of CDH for the invaluable legal assistance and advice provided to our organization over many years and in particular in the year 2013. Funding is incredibly tight in a depressed economy and yet the EWT operates in an increasingly complex and legally fraught environment where expert, and often costly, advice is needed more and more often.

If it were not for the pro bono expertise provided by CDH, the EWT would in effect be unable to access justice and fair legal recourse"

Community Led Animal Welfare (CLAW)

CLAW is a welfare organisation, renowned as the pioneer of community based primary animal healthcare in South Africa. It provides veterinary services to impoverished communities where conventional care is often unavailable.

Funding is an obstacle for CLAW. In 2013 CDH organized a fundraising event for CLAW.

Creating environmental awareness among staff, clients and business partners

CDH has continued with its environmental awareness campaign. Environmental awareness articles are posted on CDH's intranet. The focus this year has been on water saving, as South Africa is facing an imminent water crisis. The articles have also been aimed at conservation and energy efficiency awareness.

An environmental seminar is planned for March 2015, to create awareness

amongst employees on challenges facing the environment and steps that can be taken to reduce environmental impacts.

The Environmental Law Practice provides seminars to other departments, candidate attorneys and clients on various aspects of environmental law. It also frequently publishes articles on developments in environmental law and environmental rights in Africa, aimed inter alia at increasing awareness amongst its clients and the general public.

Furnishing environmental legal services to clients

CDH continues to represent several clients with significant environmental impacts due to the nature of their operations, such as mining, industry and coal power generation. Through our Environmental Law Practice we advise our clients on all environmental aspects of their business, from climate change, carbon trading and regulation to environmental compliance and strategic environmental planning.



In conjunction with our Projects and Infrastructure and Energy practice, it is also currently acting for several project bidders or lenders for South Africa's multi-billion dollar independent Power Producer Procurement Programme. On completion it is expected to be the leading renewable energy programme in the world and aims to generate 42% of all new electricity from renewable energy sources in the next 20 years using solar, wind, hydro, biomass and biogas projects.

Travel

Our virtual meeting technology, installed in both our Cape Town and Johannesburg Offices provides an effective alternative to travel and is increasingly used.

Assessment of CDH's environmental footprint and impact

To integrate principles 7, 8 and 9 into our strategies and operations means understanding and managing our own environmental impact. Due to CDH's commitment to reduce its environmental impact and conduct

its business in a responsible manner it instructed an independent expert, the Carbon Neutral Group to compile a carbon footprint assessment of its operations for 2012 and again for 2013. The 2013 carbon footprint assessment is attached.

We are pleased to report that in the last financial year we reduced our footprint by 12%, with a 27% reduction in emissions from business travel and 6% reduction in emissions from electricity use. The Carbon Neutral Group noted that the following can be concluded:

- CDH emitted 4,972 tons of CO₂e during 2013/2014. The emissions per employee are 8.5tCO₂e, down from 9.2tCO₂e in the previous financial year.
- Electricity use comprises the largest portion of the footprint with 58% or 2871.6tCO₂e. Overall we reduced our electricity consumption by 6%, with the Sandton office reducing it by 10% and Cape Town office by 3%. However there is still a

large difference in electricity use per employee in each office: 2,519kWh per employee at Sandton's green building office compared to Cape Town's 11,541 kWh per employee.

- Air travel comprises the second highest portion with 19%, or 1,549tCO₂e, a marked decrease from last year. However this figure excludes the additional carbon emissions from business class flights, as data was unavailable from the travel agents. The Carbon Neutral Group estimates the real value to lie closer to 1,800tCO₂, which is still less than last year's emissions.
- Commuting with a private car is the third highest source of emissions with 9% or 427tCO₂e. Unfortunately emissions from car travel have increased by 30% however this could probably be attributed to a more accurate employee commuting survey carried out this year, as significantly more employees completed the survey.

Monitoring

CDH's Social and Ethics Committee has an environmental representative, who is a Director in the Environmental Law Practice. She continues to report back on the extent and effectiveness of environmental strategies within the Firm and presents proposals on further reduction/mitigation strategies to reduce CDH's environmental impact.

Through the carbon footprint's outcome and data accumulated on our waste stream, we have a measurable baseline to set annual targets and objectives, enabling us to accurately track and report our progress and determine if our strategies are effective. Management regularly assesses the effectiveness of strategies that have been implemented and whether they successfully reduce the negative impact in the three key areas.

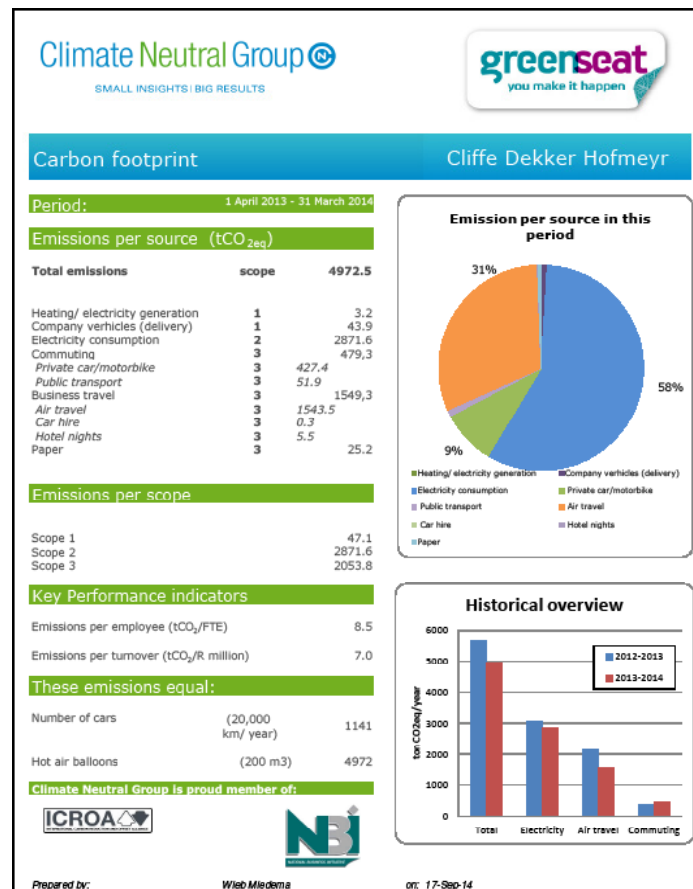
Goals

CDH is committed to further reducing our environmental impact in the three key areas identified in the carbon footprint assessment namely: energy efficiency, air travel and car travel.

We are considering the further recommendations provided by Climate Neutral Group and are in the process of finalising our environmental strategy in order to reduce our carbon



footprint and environmental impacts arising from our operations. The energy audit will determine where and how the Cape Town Office can become more energy efficient, thereby reducing our carbon footprint even further. For business air travel we are formulating an appropriate travel policy and are considering possibly becoming involved in a carbon offset project. Regarding private car travel we are actively encouraging lift-sharing and the use of public transport. Lastly, in order to have an accurate carbon footprint, we will be implementing the necessary data management processes.



As a large business law firm, CDH functions within a framework of high legal, professional and ethical standards. As such, the firm is committed to the fight against corruption and bribery.

ANTI-CORRUPTION PRINCIPLES

Introduction

Various local laws provide a framework for anti-corruption enforcement in South Africa including, for example, the following legislation:

- Prevention of Organised Crime Act, 1998
- Protected Disclosures Act, 2000
- Financial Intelligence Centre Act, 2001
- Prevention and Combating of Corrupt Activities Act, 2004
- Public Services Act, 1994
- Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004
- Companies Act, 2008

In addition, companies are required to adopt the Organisation for Economic Cooperation and Development (OECD) Recommendations on Combating Bribery, Bribe Solicitation and Extortion, 2011.

This legislation has a significant impact on the way we conduct business and interact with our clients, associates and suppliers. We take our obligations in this regard seriously.

Compliance

The Financial Intelligence Centre Act, 2001 (FICA) and the Financial Intelligence Centre Amendment Act, 2008, are geared towards combatting money laundering. The firm, as a registered 'accountable institution' under FICA introduced comprehensive policies and procedures to comply with our obligations in respect of, for example, verifying the identity of clients, keeping records of business relationships and transactions and reporting cash transactions as well as suspicious transactions to the Financial Intelligence Centre. We

have comprehensive internal rules in this regard, which are made available to all employees as part of compulsory training on our FICA policies and procedures.

In addition to local obligations, CDH realises that foreign legislation such as the US Foreign Corrupt Practices Act and the UK Bribery Act, 2010 as well as international treaties and conventions (ie the UN Convention against Corruption and the African Union Convention Against Corruption) will impact the firm and its clients. We have undertaken an anti-corruption and anti-bribery programme which has, to date, included:

- A policy of zero-tolerance for corruption, bribery and extortion;
- Assessment of the bribery and corruption risk;
- Focussed anti-bribery and corruption training as part of formal career academies for professionals; and
- Training sessions and seminars for staff and clients of the firm.

In addition, we are in the process of rolling out awareness-raising initiatives as well as additional training and information sessions on the firm's bribery prevention policies and procedures for all employees. During 2014, experts from the UK and USA conducted workshops for CDH attorneys and associate attorneys from firms in other African jurisdictions on the impact of the UK Bribery Act and the US FCPA on local jurisdictions.

Regulation

Ethical conduct remains a cornerstone of the legal profession and a fundamental part of CDH culture. In terms of the Attorneys Act, 1979, our attorneys are registered with the relevant provincial law societies where they practice and comply with the rules in regard to professional conduct and ethics.



Training

Focussed anti-bribery and corruption training is a key part of formal career academies for professionals. In addition, the intention is to roll out awareness-raising initiatives and information sessions with all staff. In addition and as part of the firm's in-house training programme, newly appointed candidate attorneys are required, in preparation for their admission examinations, to attend various training sessions on professional conduct and ethics, which includes, for example, a discussion of risk management, fraud, bribery and corruption as well as attorney-client privilege.

As part of the new practice management course for new directors which has been introduced by the Law Society of South Africa, new directors attend in-house training sessions on professional conduct, ethics and risk management.

Other initiatives and policies

The firm is in the process of finalising its anti-bribery and corruption policy, which requires rigid adherence to the local and foreign legal landscape.

Other initiatives and policies include, for example: client conflict checks, billing procedures and charging guidelines, tender and business development guidelines, a disclosure policy and a gifts and benefits policy.

