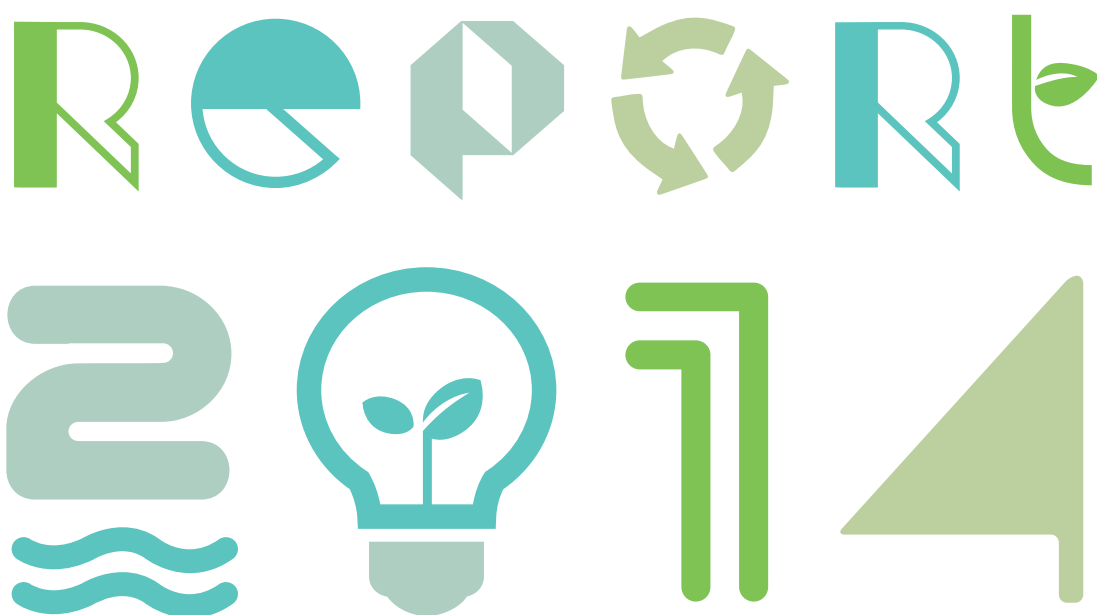


sustainability



Out of the Ordinary®

 **Investec**

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About this report

Scope and reporting framework

This sustainability report highlights Investec's sustainability performance over the period 1 April 2013 to 31 March 2014. We incorporate material information from the main geographies in which we operate, i.e. Southern Africa, the United Kingdom and Australia.

Our approach to reporting has followed guidance from the King Code of Governance Principles for South Africa (King III) and the Global Reporting Initiative's (GRI) G3.1 sustainability reporting guidelines. An index of these indicators, together with our response to each of them, can be found on pages 47 to 58 of this report. We have self-assessed our reporting to be application level B+.

Communicating sustainability

Investec is committed to the principle of integrated reporting and has continued to incorporate an account of its broader social, environmental and economic performance into the 2014 integrated annual report. Given the succinct nature of the integrated annual report, the requirement of the GRI and the need to respond to the broad interests of stakeholders, Investec has provided additional information in this sustainability report.

Using this report

For easy reading we have provided cross-referencing tools, set out below:



Profit

Refers readers to the profit section on pages 9 to 11 of this report



People

Refers readers to the people section on pages 12 to 24 of this report



Planet

Refers readers to the planet section on pages 25 to 33 of this report



Carbon footprint

Refers readers to the carbon footprint information on pages 30 to 33 of this report



Page references

Refers readers to the Investec group's 2014 integrated annual report



Audited information

Denotes information that has been externally verified

Verification

Grant Thornton has provided limited assurance over selected environmental, human resources and corporate social spend key performance indicators.

Investec Internal Audit performed a limited review on the qualitative and quantitative sustainability information.

Publication

To minimise our paper consumption and in line with our view on integrated reporting, only limited copies of this information will be published. The online version is available at www.investec.com where a pdf version can be downloaded.

About the Investec group

We strive to be a distinctive specialist bank and asset manager, driven by commitment to our core philosophies and values.

Who we are

Founded as a leasing company in Johannesburg in 1974. We acquired a banking licence in 1980 and were listed on the Johannesburg Stock Exchange (JSE) Limited South Africa in 1986.

In July 2002, we created a dual listed companies (DLC) structure listed in London and Johannesburg.

A year later, we concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited.

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions. Today, we have an efficient integrated international business platform, offering all our core activities in the UK and South Africa and select activities in Australia.

What we do

We provide a diverse range of financial products and services to a niche client base in three principal markets, the UK, South Africa and Australia as well as certain other countries.

Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity, namely: Asset Management, Wealth & Investment and Specialist Banking.

We have an entrepreneurial culture which is balanced by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative.

We do not seek to be all things to all people and aim to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

Our strategy

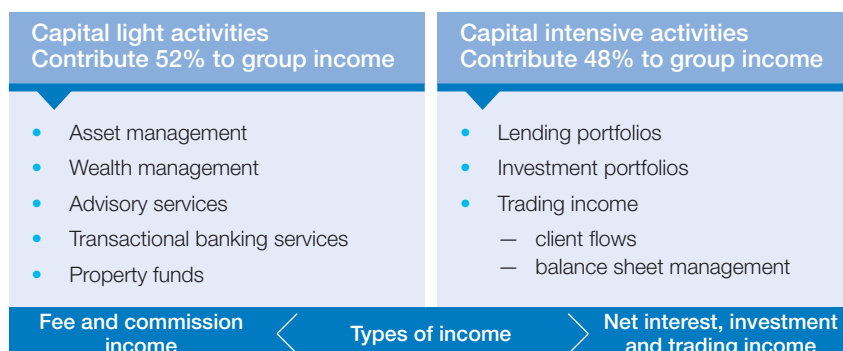
Our strategy for the past 20 years has been to build a diversified portfolio of businesses and geographies to support clients through varying markets and economic cycles. Since inception we have expanded through a combination of organic growth and strategic acquisitions. In order to create a meaningful and balanced portfolio we need proper foundations in place which gain traction over time.

Our current strategic focus is to:

- Continue to build Asset Management organically by investing and building for the next phase of growth in line with a clear long-term strategy
- Maintain momentum in the Wealth & Investment business by building critical mass in future growth areas
- Improve returns in the Specialist Banking business by continuing to simplify the business and grow the business organically
- Provide an integrated full service solution for our private clients by advancing our strong digital platform
- Continue to leverage our extensive client base and attract new clients by extending the breadth and depth of the franchise.

Our diversified and balanced business model

We aim to maintain an **appropriate balance** between revenue earned from operational risk activities and revenue earned from financial risk activities. This ensures that we are **not over reliant** on any one part of our businesses to sustain our activities and that we have a large recurring revenue base that enables us to navigate through varying cycles and supports our long-term strategy.

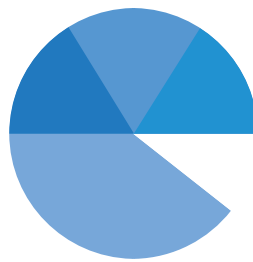
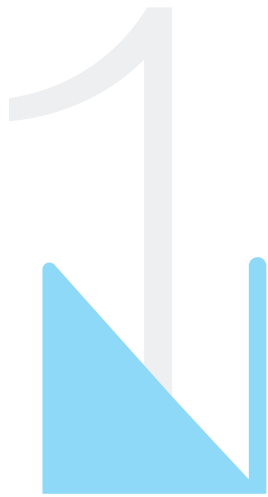


Our values

- Distinctive performance
 - Outstanding talent – empowered, enabled and inspired
 - Meritocracy
 - Passion, energy, stamina, tenacity
 - Entrepreneurial spirit
- Client focus
 - Distinctive offering
 - Leverage resources
 - Break china for the client
- Cast-iron integrity
 - Moral strength
 - Risk consciousness
 - Highest ethical standards
- Dedicated partnership
 - Respect for others
 - Embrace diversity
 - Open and honest dialogue
 - Unselfish contribution to colleagues, clients and society.

Our philosophies

- Single organisation
- Meritocracy
- Focused businesses
- Differentiated, yet integrated
- Material employee ownership
- Creating an environment that stimulates extraordinary performance.



Sustainability at
Investec



Corporate responsibility

Sustainable business practices

Our sustainability philosophy

Guided by our purpose to create sustained long-term wealth, we seek to be a positive influence in all our core businesses and in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education and leveraging the value in our diversity. We recognise the challenges that climate change presents to the global economy and we will consider supporting any meaningful activity that either reduces the negative impact or prolongs life on our planet.

Investec as a responsible corporate

At Investec we recognise that, while our shareholders remain at the forefront, our purpose ultimately is not only about driving profits. We strive to be a distinctive specialist bank and asset manager, demonstrating cast-iron integrity, moral strength and behaviour which promote trust. Our core values include unselfishly contributing to society, valuing diversity and respecting others. Outstanding, empowered talent, entrepreneurial spirit and regard for the planet are other qualities that fit squarely with the culture

of our organisation and our approach to responsible business.

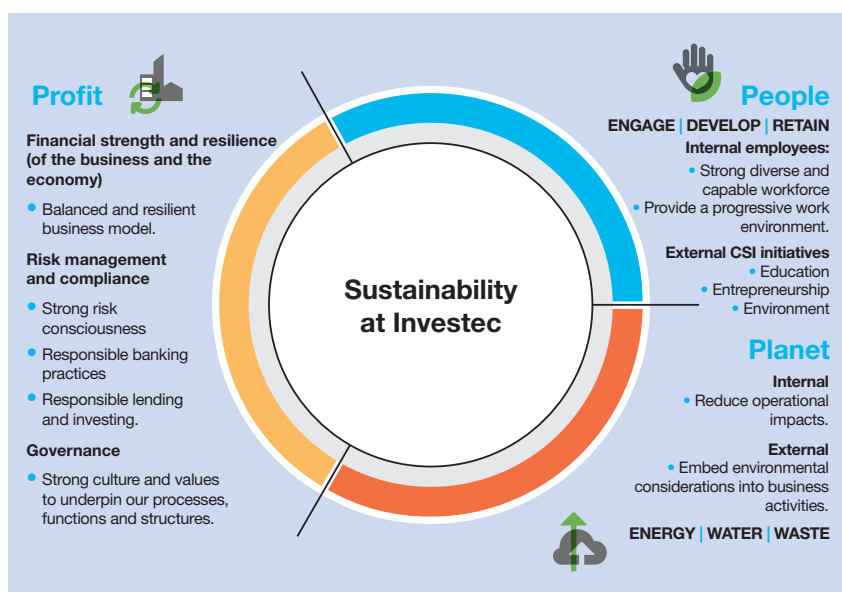
Our culture and values, at the heart of our approach, demonstrate our belief that as an organisation we can and must, if we are to maintain a sustainable business in the long term, have a positive impact on the success and wellbeing of communities local to our offices, the environment and on overall macro-economic stability.

Our philosophy seeks to align the interests of shareholders and stakeholders over

time, and provides the individual business units and regions with a basis from which to determine their own approach. The group's philosophy is not intended to be mutually exclusive, nor exhaustive, but allows us to concentrate, for now, on key focus areas. Deliberately not driven on a top-down basis, the executive maintains responsibility for oversight, direction, coordination and integration of our sustainability efforts while the individual business units provide the principal drivers behind our activities, in a manner that best makes sense to each.

What does sustainability mean for Investec?

Investec's sustainability focus encompasses endurance and the interdependence of the three key areas of profit, people and planet:



Investec maintained its inclusion in the JSE SRI Index, the FTSE4Good Index*, the Dow Jones Sustainability Index and the Carbon Disclosure Project. Investec group received two awards from the Climate Disclosure Project. Gold recognition status was given for a score of A- on Climate Performance in 2013 and we were also included in the Climate Disclosure Leadership Index 2013 (Top 11 in South Africa across all sectors).

* FTSE Group confirms that Investec has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent social and environmental criteria, and are positioned to capitalise on the benefits of responsible business practice.

Highlights

Our commitment to sustainability means integrating social, ethical and environmental considerations into our day-to-day operations.

Investec conducts its commitment to sustainability through three key focus areas:

Profit



The financial strength and resilience of Investec depends on a balanced business model that supports our long-term growth vision through varying economic cycles.

People



We invest in the communities in which we operate, recognising that education and entrepreneurship are integral to our own long-term strategy.

The sustainability of our business depends largely on our people and positioning Investec as an attractive employer in the financial services industry. We focus on building a strong, diverse and capable workforce by providing a workplace that stimulates and rewards distinctive performance.

Planet



Effective environmental management is an essential part of our embedding front-of-mind consciousness of sustainability into the organisation.

We are increasingly incorporating environmental considerations into our daily business activities and are exploring the many valuable opportunities in cleaner energy sources, energy efficiency and responsible financing.

Our sustainability performance



Net income generated

2014	2013
£1 443mn	£1 398mn

Total shareholder remuneration

2014	2013
£184mn	£185mn

Total spend on employee learning and development

2014	2013
£11.8mn	£12mn

Total social investment

2014	2013
£5.1mn	£5.4mn

Scope 1 emissions (tonnes of CO₂)

2014	2013
38 492	39 183

Emissions per m² office space

2014	2013
0.39	0.39

The value we've added

Contributing to society, macro-economic stability and the environment

For Investec, sustainability is about building our businesses to ensure we have a positive impact on the economic and social progress of communities and on the environment, while growing and preserving client and stakeholders' wealth based on strong relationships of trust.

Value added statement

£'000	31 March 2014	31 March 2013*
Net income generated		
Interest receivable	1 905 383	2 132 715
Other income	1 267 405	1 292 545
Interest payable	(1 253 704)	(1 429 108)
Other operating expenditure and impairments on loans	(475 764)	(597 812)
	1 443 320	1 398 340
Distributed as follows:		
Employees	637 399	692 165
Salaries, wages and other benefits		
Government	409 535	312 832
Corporation, deferred payroll and other taxes		
Shareholders	183 865	185 321
Dividends paid to ordinary shareholders	150 053	147 660
Dividends paid to preference shareholders	33 812	37 661
Retention for future expansion and growth	212 521	208 022
Depreciation	34 750	46 372
Retained income for the year	177 771	161 650
	1 443 320	1 398 340

* Restated.

Recognition

Investec group

- Carbon Disclosure Project Gold recognition status for a score of A- on Climate Performance in 2013
- Inclusion in Climate Disclosure Leadership Index 2013 (Top 11 in South Africa across all sectors).

Investec in the UK

- Clean City Awards Scheme Chairman's Cup 2013
- Investec Guernsey won the Guernsey Employer of the year 2013.

Investec in Australia

- Global Best Award for Partnerships Crossing Boundaries in the Australia and Oceania Region.



Message from the chief executive officer

How has Investec adapted to changes in the international environment?

Market conditions post the financial crisis forced most banks to reconsider their business models. The group has adapted to the changes in the international environment by reshaping and simplifying the business model and dealing with a number of legacy issues.

Reflecting on our strategic priorities from a year ago, momentum in Asset Management was maintained and the Wealth & Investment business made good progress in organically growing its market share and internationalising its offering. As part of our strategy to improve returns in the Specialist Bank, the past year has seen significant time and resource being spent on simplifying the business model and clearly articulating the legacy book. In Australia, we have sold the Professional Finance and Asset Finance and Leasing businesses (subject to regulatory approval) which will now operate as a non-bank financial services company focusing on corporate services and funds management.

How do you balance driving profits with corporate responsibility?

At Investec we recognise that, while our shareholders remain at the forefront, our purpose ultimately is not only about driving profits. We believe that we can have a positive impact on the success and wellbeing of local communities, the environment and on overall macro-economic stability which is vital if we are to maintain a sustainable business in the long term.

Alongside our corporate responsibility is our internal aspiration to provide our clients with an 'Out of the Ordinary' Investec experience. Consequently, we are continually developing the proficiency of our people and their learning and development. We continue to attract and retain the calibre of employee we require to deliver a distinctive service to our clients. We are also investing in technology by building a strong digital platform to complement the skills of our capable management and staff and ensure we provide our niche client base with the highest level of service.

What determines your sustainability focus?

We have always believed that sustainability in its broadest sense is about managing and positioning the group for the long term and we do this by focusing on three key areas of people, planet and profit. We recognise that effective communication is integral in building stakeholder value. During the past two years we embarked on a robust process of engagement with internal and external stakeholders (including an independent stakeholder engagement process) to understand what their expectations are. This process has allowed us to confirm the core sustainability focus areas for our stakeholders and will ultimately guide our sustainability strategy going forward.

What issues were raised by stakeholders?

Stakeholders expressed the need for greater transparency with regards to our remuneration arrangements at Investec. After an extensive consultation with shareholders the financial incentive scheme proposals and long-term incentive awards were approved at our 2013 annual general meeting. Stakeholders also highlighted that environmental, social and governance factors need to be integrated into project finance and investment decision-making. We have extended our reporting in this regard to demonstrate that identifying and quantifying environmental and social risk is part of the normal process of risk assessment and management within our businesses.

How is Investec supporting South Africa's transformation aspirations?

We remain committed to both economic and social transformation in South Africa. During the year we finalised our updated Employment Equity Plan for the next five years, supporting our commitment to achieving and sustaining an equitable workplace. We also enhanced our Enterprise Development programme by providing grants to entrepreneurs who are managing and growing their own businesses and have potential to create further jobs.

What were the highlights from an environmental, social and governance perspective?

Our extensive sustainability initiatives are an important part of living our values and these have the support of employees at all levels of the organisation. The active involvement of our people, through volunteering, is core to our social investment strategy. In 2013 we were finalists at the Lord Mayor Dragon Awards in the education category as well as being highly commended at the Business Charity Awards for our impact in the community.

From an environmental perspective, we received a number of awards recognising our efforts to reduce our emissions and ensure a more sustainable environment. These include winning the Chairman's Cup at the Clean City Awards Scheme in the UK and our inclusion in the Climate Disclosure Leadership Index in South Africa.

What are your focus areas for the next financial year?

The group has navigated very uncertain waters over the past few years which have reminded us about who we are and what we stand for. We are continuing to build Investec into a high quality, client-driven organisation that is relevant in its core markets. Our focus over the next year will be to execute our key strategic initiatives so that Investec, going forward, will be recognised as an agile innovative service-driven organisation providing:

- Quality products and services to our clients
- Above average returns to our shareholders
- A significant contribution to the growth and development of our people, communities and broader society.



Stephen Koseff
Chief executive officer

Investec group

Sustainability in an Investec context

Responsibility

The social and ethics committee is responsible for monitoring the non-profit elements of sustainability – see page 96 in volume one of Investec group's 2014 integrated annual report. The mandate of this committee places a strong emphasis on the responsibility of the group towards the communities in which we operate, on social transformation in the workplace, and on preserving the well-being and dignity of our employees.

In each of the major geographies in which we operate, we have sustainability representatives who drive our sustainability objectives as well as various forums discussing sustainability considerations. Feedback on relevant sustainability issues is provided to the board of directors at each of their board meetings.

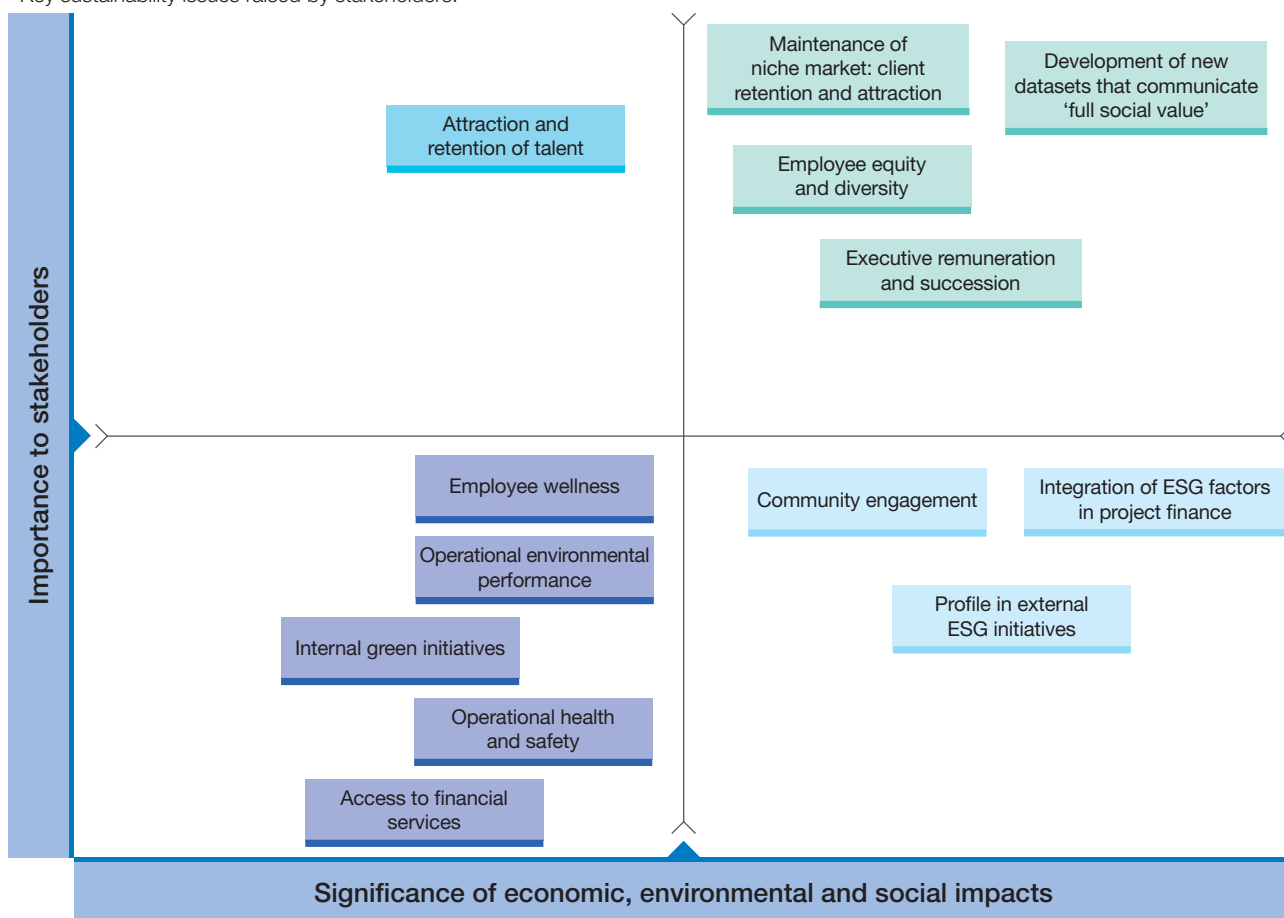
Materiality

Sustainability for Investec is about making the most positive contribution possible and to do this we need to focus on the issues that matter most. Determining materiality is something we have considered previously and consequently focused on the three areas of people, planet and profit. In terms of people, the greatest impact to the sustainability of our business is ensuring a strong, talented and diverse workforce. Hence we place a strong emphasis on the learning and the development of our staff. When considering materiality in terms of our corporate social investment, we believe that education and entrepreneurship are integral to the longevity of our own business and in particular, building skills in Maths and Science in South Africa. Lastly, materiality in terms of our environmental impact is focused less on our operational carbon

footprint – which is largely limited – and more on what our businesses can do to help clients with their environmental aspirations, looking for opportunities in responsible financing and investing, and supporting businesses in renewable and green developments.

During the year under review, we embarked on a robust process of engagement with internal and external stakeholders. This process went beyond our day-to-day engagement with stakeholders and involved an interview process of the Investec board of directors, executive, heads of business and employees and also external stakeholders such as industry associations, rating agencies, clients, investment analysts and NGOs. This process has allowed us to confirm the core sustainability issues for our stakeholders and will ultimately guide our 2015 sustainability strategy.

Key sustainability issues raised by stakeholders:



Note: Human rights and freedom of association of Investec employees was not raised by stakeholders as being a key sustainability concern and hence has not been included in this matrix.

Sustainability in an Investec context (continued)

Summary of some of the materiality issues raised by stakeholders

Issue raised	Our response
Client retention and new client attraction Internal and external stakeholders both recognise the growing competitiveness in Investec's traditional niche market of high net worth individuals.	<ul style="list-style-type: none"> Investec's current strategy (as summarised on page 1 of this report) is very focused on both retaining its current clientele and also attracting future clientele in our key target markets. In particular, we have been developing a full service offering aimed at maximising the creation and preservation of our clients' wealth by integrating our Private Banking and Wealth & Investment offerings to ensure clients have a consistent and seamless Investec experience. We have also launched a strong digital platform which is client centric, as opposed to product centric, and enables us to cross-sell between these divisions, acquire new clients and retain existing clients.
Remuneration Stakeholders expressed the need for greater transparency in remuneration arrangements at Investec.	<ul style="list-style-type: none"> The remuneration committee embarked on a process during the prior year to redesign the short- and long-term incentive schemes for the chief executive, managing director and group risk and finance director. We believe that we developed a comprehensive and credible response to shareholders' concerns, and after a period of shareholder consultation we are pleased to report that the final incentive scheme proposals and long-term incentive awards were approved at the annual general meeting in August 2013. Please refer to pages 126 to 163 in volume one of the Investec group's 2014 integrated annual report.
Succession planning Stakeholders expressed the need for greater transparency in the succession planning at Investec.	<ul style="list-style-type: none"> The nominations and directors' affairs committee (NOMDAC) received a detailed presentation from the executive management regarding senior management succession and the NOMDAC is satisfied that there is a formal management succession plan in place. The NOMDAC will continue to focus on ensuring that the management succession plan remains up to date. Senior management succession plans are also presented annually to the banking regulators.
Employee equity, retention and attraction Employment equity in this context closely relates to how Investec attracts quality employees and retains their services through continued personal and professional development and/or appropriate incentive schemes.	<ul style="list-style-type: none"> Please refer to pages 15 to 16 of this report for more detail of how we offer staff a stimulating and progressive working environment to attract and retain talent.
Integration of ESG factors in project finance and investment decision-making The financing of (corporate) activities that result in negative environmental and social consequences is increasingly being scrutinised by monitoring bodies. This is increasing the need for financial institutions to disclose their environmental, social and governance (ESG) risk strategies with regards to their project finance, loan or investment activities.	<ul style="list-style-type: none"> We have extended our reporting in this regard; please refer to pages 36 to 39 of this report for detailed disclosure on the environmental, social and governance (ESG) risk assessments taken in our power and infrastructure finance and resource finance activities.
Responsible community engagement Existing community engagement programmes and relationships should be nurtured and communicated to stakeholders.	<ul style="list-style-type: none"> We continue to nurture existing programmes and relationships and communicate our progress to stakeholders. For more information on our community engagement, please refer to pages 116 to 119 in volume one of the Investec group's 2014 integrated annual report.
Communication of full social and economic value generated by the banking sector In South Africa, the need to develop innovative methods and messages of the broad social and economic value that is brought about by a healthy and robust banking sector was highlighted.	<ul style="list-style-type: none"> In order to support 'total value' claims, new ESG datasets and measurable targets are being developed by the banking sector. We participate in these discussions through our membership with the Bankers Association of South Africa.



Profit

Overview of our 2014 financial year

Summary of performance

The group achieved an increase in operating profit of 6.0% to £451.8 million (2013: £426.3 million) – a 20.3% increase on a currency neutral basis. Adjusted EPS increased 5.3% from 36.1 pence to 38.0 pence – a 19.7% increase on a currency neutral basis. Distributions to shareholders increased from 18 pence to 19 pence resulting in a dividend cover of 2.0 times (2013: 2.0 times). Overall group results have been negatively impacted by the depreciation of the Rand of approximately 20% against our reporting currency, Pounds Sterling. The combined South African business reported operating profit of 25.3% ahead of the prior year in Rands, while the combined UK business posted a 24.4% increase in operating profit.

Wealth & Investment's operating profit increased by 30.5%. Asset Management reported operating profit marginally ahead of the prior year. Both divisions benefited from higher levels of average funds under management and net inflows of £4.0 billion. This has resulted in recurring income amounting to 70.7% of total operating income (2013: 68.6%). Both the South African and UK Specialist Banking businesses reported operating profit in excess of 29.0% in home currencies. This was as a result of a solid performance from the majority of the businesses in South Africa and a significant decline in impairments in the UK business.

Snapshot of financial results

	31 March 2014	31 March 2013	% change	% change on currency neutral basis ^{^^}
Operating profit* before tax (£'000)	451 817	426 278	6.0%	20.3%
Attributable earnings** ^ (£'000)	327 824	309 310	6.0%	20.5%
Adjusted EPS**^ (pence)	38.0	36.1	5.3%	19.7%
DPS (pence)	19.0	18.0	5.6%	NA
Net asset value per share (pence)	375.7	384.2	(2.2%)	9.1%
Total shareholders' equity (£' million)	4 013	3 942	1.8%	12.2%

* Before goodwill, acquired intangibles, non-operating items and after other non-controlling interests.

** Before goodwill, acquired intangibles, non-operating items and after non-controlling interests.

^ After deducting preference dividends.

^^ Amounts represented on a currency neutral basis assume that the closing and average exchange rates of the group's relevant exchange rates relative to Pounds Sterling remain the same at 31 March 2014 when compared to 31 March 2013.



Please refer to the integrated annual report 2014 for the full detail on the group's financial performance.

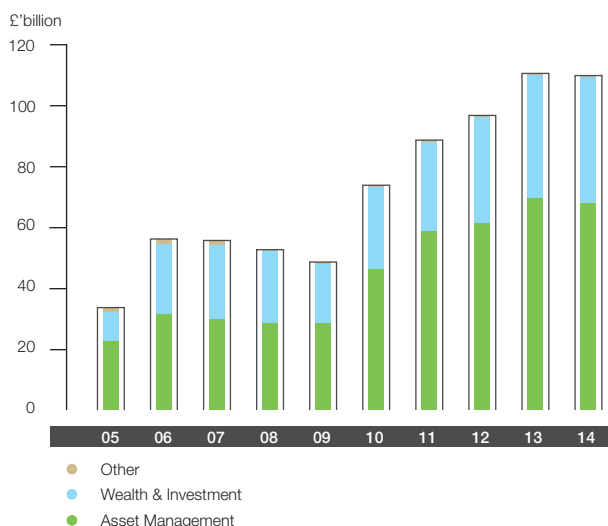
Growth in key earnings drivers

Funds under management down 0.7%
(up 8.9% currency neutral)

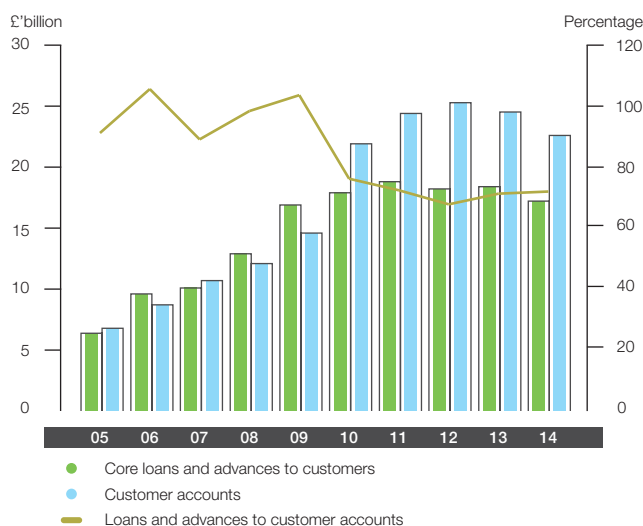
Customer accounts down 7.6%
(up 6.2% currency neutral)

Core loans and advances down 6.8%
(up 7.9% currency neutral)

Third party assets under management



Customer accounts (deposits) and loans



Overview of our 2014 financial year (continued)

Sound capital and liquidity

The intimate involvement of senior management ensures stringent management of risk and liquidity. A well-established liquidity management philosophy remains in place.

The group's loan to deposit ratios are as follows:

- Investec Limited: 72.9% (2013:73.2%)
- Investec plc: 71.0% (2013: 68.9%)

Liquidity remains strong with cash and near cash balances amounting to £9.1 billion (2013: £9.3 billion).

Capital remained well in excess of current regulatory requirements, and our banking subsidiaries meet current internal targets.

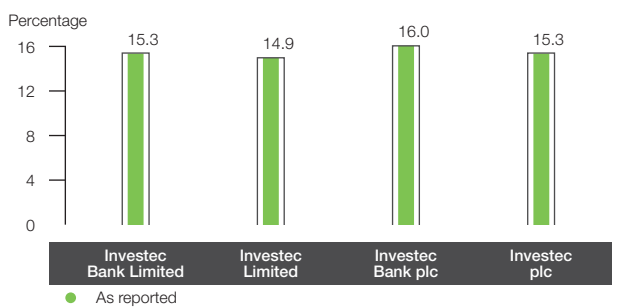
Investec Limited and Investec plc should comfortably achieve a common equity tier 1 ratio above 10% by March 2016.

We continue to focus on:

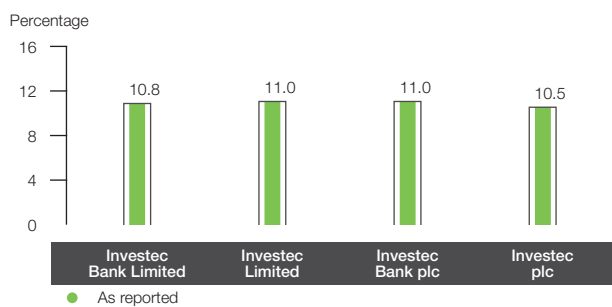
- Maintaining a high level of readily available, high-quality liquid assets targeting a minimum cash to customer deposit ratio of 20.0%
- Diversifying funding sources
- Maintaining an appropriate mix of term funding
- Limiting concentration risk.

Target > Total capital adequacy: 14.0% – 17.0%
Common equity tier 1 ratio: >10.0% by March 2016
Total tier 1 ratio: >11.0% by March 2016
Leverage ratio: >6.0%

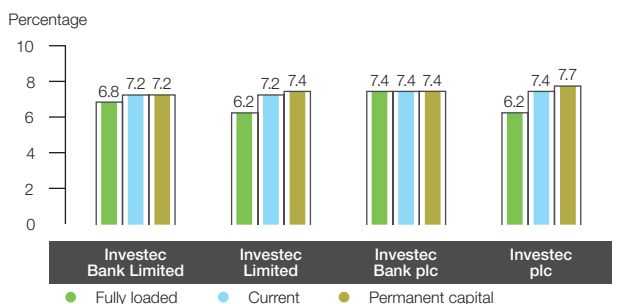
Capital adequacy



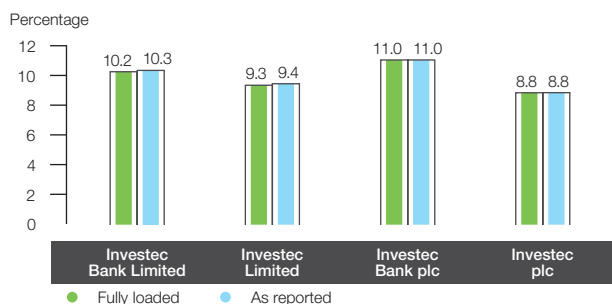
Tier 1



Leverage ratios



Common equity tier 1



Profit

02



Refer to page 164 of the integrated annual report 2014 for detailed definitions and explanations.

THREE

People



Supporting our employees

Employee report

Investec employees remain critical to continued business success and to overall sustainability efforts. The expertise and dedication of staff is fundamental in meeting our clients’ needs and delivering distinctive results. It is therefore vital that we engage, develop and retain a high-performing workforce. One of the group’s values is to ensure open and honest communication and hence we encourage active and open dialogue between staff and senior management. As a responsible employer, Investec aims to offer staff a stimulating and progressive working environment in which they can flourish and realise their true potential.

In assuming responsibility for our human capital we seek to promote sustainability through:



Our internal people activities involve dedicated divisions such as Human Resources (HR) and Organisation Development (OD) which serve to supplement the ongoing people focus of our individual business units. The Investec Careers and HR teams are mandated to attract, develop and retain talent who can perform in a manner consistent with our culture and values. OD acts to strengthen the culture of the business, ensure its

values are lived, build capability and contribute to the long-term sustainability of the organisation.

The HR division participates in local and international forums to ensure ongoing development of HR best practice in the group and the alignment of HR strategy with business strategy. As our operating jurisdictions have different legal and regulatory requirements, our various HR functions operate independently of

one another, while at all times adhering to the group philosophical approach.

Senior responsibility for reporting employee-related issues falls under Marc Kahn and Allen Zimbler who are heads of Human Resources and Organisational Development.

Supporting our employees (continued)

Number of employees

By division – permanent employees	31 March 2014	31 March 2013
Asset Management		
UK and Other	428	383
Southern Africa	913	778
Total	1 341	1 161
Wealth & Investment		
UK and Other	1 014	973
Southern Africa	286	272
Total	1 300	1 245
Specialist Banking		
UK and Other	1 769	1 982
Southern Africa	2 787	2 698
Australia	440	470
USA	20	19
Total	5 016	5 169
Total number of permanent employees	7 657	7 575

By geography – total employees	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
UK and Other	3 211	3 338	3 181	2 606	1 763	1 706
Southern Africa	3 986	3 748	3 661	3 680	3 542	3 541
Australia	440	470	411	401	356	354
USA	20	19	33	29	23	22
Temporary employees and contractors	601	576	495	521	439	328
Total number of employees	8 258	8 151	7 781	7 237	6 123	5 951

Supporting our employees (continued)

Employee strategy

The core areas of emphasis regarding our people strategy are:

To attract, retain and motivate the right people who can perform extraordinarily

Our internal resourcing function forms an integral part of our broader talent management as it enables us to source and redeploy talent internally and, where required, to recruit externally to address any skills gaps identified.

We invest significantly in a number of opportunities for developing and training employees and in leadership programmes to develop current and future leaders of the group. Our Learning and Development Centre plays a critical role in the development of our employees as well as assisting the business areas to achieve their learning objectives. Such learning objectives are always aligned to the business strategy and market trends. The centre is also involved in group-wide activities such as an induction programme for new employees, providing learning advice to individual employees and facilitating the development of generic programmes in the fields of information technology, banking and finance, compliance, e-learning, talent retention and mentoring.

Spend on employee learning and development

	31 March 2014		31 March 2013	
	£	R	£	R
South Africa				
Asset Management	417 008	6 722 164	532 584	7 157 926
Wealth & Investment	426 252	6 871 175	499 852	6 718 017
Specialist Banking	5 740 765	92 541 131	6 655 846	89 454 571
Total	6 584 024	106 134 470	7 688 282	103 330 514
UK and Other				
Asset Management	723 303	11 659 649	528 868	7 109 307
Wealth & Investment	548 596	8 843 364	508 744	6 838 781
Specialist Banking	3 691 419	59 505 677	3 009 451	40 454 510
Total	4 963 318	80 008 690	4 047 063	54 402 598
Mauritius	18 370	296 121	17 934	289 089
Australia	287 421	2 706 689	319 084	3 004 864
Total group spend on learning and development	11 853 133	189 145 970	12 072 363	161 027 065

To retain and motivate staff through appropriate remuneration and reward structures

Our remuneration practices comply with the principles of local regulations, while continuing to reward people meaningfully for performance and contribution. Our remuneration strategy is based on the philosophy that employees are innovative, entrepreneurial and work in an environment that encourages and fosters extraordinary performance. In line with our philosophy of employee ownership, staff share schemes provide all employees, at all levels of the organisation, with the opportunity to participate in our long-term growth.



Further information is provided on pages 130 to 163 in volume 1 of Investec group's 2014 integrated annual report.

To ensure that performance management is effectively and constructively practised

Our culture of open and honest dialogue promotes immediate and direct performance-related feedback between manager, employee and team to help individuals identify and address their development needs.

Working at Investec

The policies and business practices of Investec are outlined in 'Becoming Acquainted with Investec' (BAWI) and in the compliance handbook. They are intended to guide our conduct and ensure that at all times our actions and attitude reflect the group's values and philosophies.

These policies and business practices can be found on our website, including more details on the following:

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 multi-cultural awareness of staff at Investec and enable them to appreciate and celebrate the richness of our diverse population and to take these insights back into the business.

Supporting our employees (continued)

Employee gender composition – permanent employees

	Southern Africa			UK and Other			Australia		
	31 March 2014			31 March 2014			31 March 2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Directors	2	–	2	2	–	2	–	–	–
Senior managers*	734	432	1 166	184	23	207	6	1	7
Rest of employees	1 034	1 784	2 818	1 700	1 322	3 022	232	201	433
Total	1 770	2 216	3 986	1 886	1 345	3 231	238	202	440

* A senior manager is defined as a person who: (a) has responsibility for planning, directing or controlling the activities of the company, or a strategically significant part of the company, and (b) is an employee of the company.

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.

During the year we completed our fourth Department of Trade and Industry BEE verification according to the generic codes and received a level 3 rating status by Empowerdex. We are committed to achieving and sustaining an equitable workplace that encourages and manages diversity and as such remain focused on the corrective strategies as set out in our Employment Equity Plan for the period 2013 to 2017. In terms of numerical targets for 2013, we met our targets at top management level and the overall EE count at both senior and middle management levels exceeded the overall EE target. In addition, we delivered on all the non-numerical goals as outlined in our EE Plan for 2013.

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

Further information on the employment equity statistics of our South African business is available on our website.

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. Health and Safety is overseen by a health and safety committee that meets quarterly to review health and safety concerns.

This management comprises:

- Craig Gunnel – Head of Facilities SA
- Tony Grimes – Head of Facilities UK
- Deborah Sweetman – Head of Facilities Australia

In South Africa, Investec's HIV/AIDS policy and management forum extends to all permanent employees.

Employee wellness

To enable and develop employee health and wellbeing, Investec provides employees with a bespoke Employee Assistance and Wellness programme. The comprehensive and integrated Health and Wellness programme, which expresses our focus of care and concern for the wellness of employees, provides personalised wellness interventions offered in face-to-face counselling and coaching. The wellness interventions are provided by a multi-disciplinary 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.

Retrenchment policy

Where it becomes necessary for Investec to terminate employment based on operational requirements, the procedure to be followed will be in accordance with Investec's retrenchment policy which is more favourable than the local regulatory requirements. We conduct consultation for a period which exceeds the minimum prescribed period, during which we attempt to find a suitable alternative position for the affected employee.

Freedom of association

We fully support employees' rights 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, the right to collective bargaining and the right to be a member of a union of choice.

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.

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 as envisaged by the SA Bill of Rights in the Constitution). 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.

There are no recorded incidents of discrimination for the period under review.

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 confidentiality 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.

Supporting our communities

Supporting our communities

Our Corporate Social Investment (CSI) endeavours are central to the group's values of making an unselfish contribution to society, valuing diversity and respecting others, and underpin Investec's aim of being a good corporate citizen. Our approach to CSI focuses on education, entrepreneurship and the environment. We believe that to focus on education and entrepreneurship is an effective way to create opportunities for employment, wealth creation and to stimulate socio-economic growth.

In keeping with our business model of independent, highly autonomous business units supported by a strong centre, there is no single overriding approach to social investment within the group, although clear commonalities exist. Each of the regions has pursued social investment as deemed appropriate to their circumstances and where they are in the evolution of their business.

The active involvement of our people, through volunteering, remains at the core of our social investment strategy. We have many well-established charitable partnerships and volunteering initiatives to support these partners. Further, we make donations to charities in response to requests for assistance across all regions and business areas within the group. This allows us to allocate meaningful grants to causes which might not fall within our main focus areas.

Group CSI spend

	31 March 2014		31 March 2013*	
	£	R	£	R
South Africa				
Asset Management	10 994	177 221	210 898	2 834 997
Wealth & Investment	27 047	435 995	45 855	616 408
Specialist Banking	138 602	2 234 265	147 031	1 976 467
Group Corporate Social Investment division	3 461 272	55 795 709	3 021 175	40 612 116
Total	3 637 915	58 643 189	3 424 960	46 039 988
Mauritius	58 269	939 299	75 241	1 011 420
UK and Other				
Asset Management	92 594	1 492 613	689 861	9 273 445
Wealth & Investment	29 959	482 944	9 524	128 024
Specialist Banking	195 425	3 150 255	139 144	1 870 442
Group Corporate Social Investment division	991 381	15 981 059	887 128	11 925 208
Total	1 309 359	21 106 871	1 725 657	23 197 120
Australia				
Specialist Banking	123 489	2 000 221	178 917	2 409 675
Group Corporate Social Investment division	23 609	382 403	47 681	642 170
Total	147 098	2 382 624	226 598	3 051 845
Total Investec CSI spend	5 152 642	83 071 984	5 452 455	73 300 372
Total Investec CSI spend as a % of operating profit before tax	1.14%		1.28%	

* Group CSI spend (2013) for South Africa has been restated.

Supporting our communities (continued)

UK and Other

Our social investment programme plays a key role in the fulfilment of Investec's core values, including making an unselfish contribution to society. We champion sustainable social investment by:

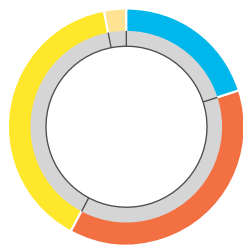
- Building dedicated charitable partnerships
- Engaging our staff in making a positive difference

- Harnessing our diverse resources and collective talent.

Our social investment programme is focused in education, entrepreneurship and the environment – areas identified by staff as best aligned with Investec's core values. Our approach encompasses the principal elements of facilitating employee volunteering with local charitable partners, and granting other charitable donations to small, local charities that fit within our focus areas.

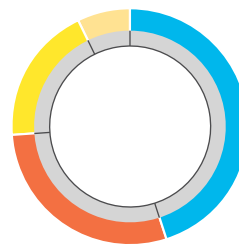
We also encourage and facilitate employee giving by providing a Give-As-You-Earn facility, organising fundraising challenge events and granting donations in recognition of the fundraising endeavours of our employees.

Breakdown of spend by the CSI division in the UK and Other



31 March 2014
£1.0 million

Entrepreneurship	20.0%
Education	38.0%
Philanthropic and other	39.0%
Environment	3.0%



31 March 2013
£0.9 million

Entrepreneurship	45.0%
Education	29.0%
Philanthropic and other	19.0%
Environment	7.0%

Below: Investec Ashes 2013
Cycle Challenge



Supporting our communities (continued)

Highlights

- The Investec Ashes 2013 Cycle Challenge, a bespoke cricket-themed challenge, which we created in partnership with the Lord's Taverners charity successfully engaged employees, partners and clients of several of our offices and raised over £279 000 for the Lord's Taverners and other local charities. We were shortlisted for this initiative at the national Business Charity Awards 2014 (Challenge Event category)
- We were finalists at the Lord Mayor Dragon Awards (Education category), as well as being highly commended at the Business Charity Awards (Community Impact category) for our partnership with Arrival Education
- We entered a team into the Movember Campaign, an international fundraising event, for a second year and finished sixth in the country and fourth in the Square Mile Challenge. We collaborated with Morpeth School

and raised a total of £35 000 as well as considerable awareness for men's health issues

- We were awarded the Guernsey Employer of the Year 2013 for looking after our people, with specific acknowledgment of our successful social investment programmes for engaging employees and carrying out great work within the community.

Education

Arrival Education

We are a founding partner in Arrival Education's four-year talent development programme, 'Success for Life'. The programme is comprised of success talks and workshops at our offices, as well as one-on-one coaching sessions. Our volunteers remain committed to our partnership with Arrival Education, having spent over 2 300 hours with the students and forming over 90 coaching relationships, with the aim of creating the high performers and wealth creators of the future.

Morpeth School

Morpeth School is a mixed comprehensive secondary school situated in Tower Hamlets, east London which serves young people aged 11 to 19 years old. The pupils are from diverse backgrounds and ethnic groups and an above average proportion is disabled. Over 50% of its pupils are entitled to free school meals, and barriers to entering further education, training and employment remain significant. We have sponsored Outward Bound trips for over 10 years, enabling over 730 young people to participate in Outward Bound courses and, more recently, exchange trips for Morpeth pupils to South Africa.

In 2013 we relaunched the Junior Apprentice programme for a group of Morpeth pupils. The programme, run by our volunteers, includes three introductory skills sessions for the pupils, focusing on developing confidence in unfamiliar situations, interview preparation, and presentation skills as well as mock interviews, workshops and time at one of the desks.

Below: Soup kitchen at Investec cookery



Supporting our communities (continued)

Starfish Greathearts Foundation UK

Starfish supports education-related projects in South Africa to assist children and young people whose families have been devastated by AIDS. Starfish identifies community-based organisations which are delivering high impact, cost-effective services and partners with them to increase their outreach and build their capacity.

We assist this foundation through extensive pro bono support from volunteers with IT, legal, accounting, marketing and other specialist knowledge and skills, as well as through the fulfilment of official/advisory roles, assistance with the running of and, considerable participation in, fundraising events. Our provision of office space has over the years dramatically reduced the foundation's overheads, significantly increasing the impact it is able to have.

Amherst School

In 2013 our employees opted to renew the partnership with Amherst School for a further three years. We are delighted to continue our support of these young people. Our volunteers kick-started a reading initiative which was endorsed by another local charity and is to be rolled out to all primary schools on the island.

Entrepreneurship

Bromley by Bow Centre

We have partnered with the Centre focusing on economic regeneration in Tower Hamlets since 2008. Through the partnership, our volunteers help with the maintenance of the green space at the centre which is the largest public green space in the ward of Bromley for 14 480 people and support the Beyond Business programme. We became the lead supporter of the Beyond Business programme in 2011.

It is a social enterprise incubator which provides start-up funding and advice to local people looking to start their own social businesses.

Our volunteers sit on the selection committee offering advice and granting start-up funding to successful applicants. Our volunteers also run the annual Beyond Business College, hosted at Investec, providing specialist advice and support to entrepreneurs on the programme.

To date Beyond Business has led to the development of over 40 social enterprises with a turnover in excess of £4 million collectively, 60% of which are Black Minority or Ethnic-led and 20% of which are run by women. The programme has created over 250 jobs to date, promoting regeneration of the surrounding areas.

Environment

Community Links

We support Community Links which runs a wide range of community projects for about 30 000 people every year. In particular, we support the Newham City Farm project, providing funding for the development of a new market garden enterprise at the farm. We regularly participate in team days to help with the maintenance of the farm. Crime has been a problem in the London Borough of Newham, with the Newham City Farm a victim of theft in the past.

In 2013, with our support, Community Links employed a community education and involvement officer to increase involvement across different sectors of the local community and build their sense of pride in the facility, growing impact and lessening chances of it being targeted in the future. As a result: 1 065 children and young people, 847 adults, and 30 adults

with autism and other disabilities and from special needs groups were reached, 27 local volunteers were recruited and 10 local social enterprises supported.

Southern Africa

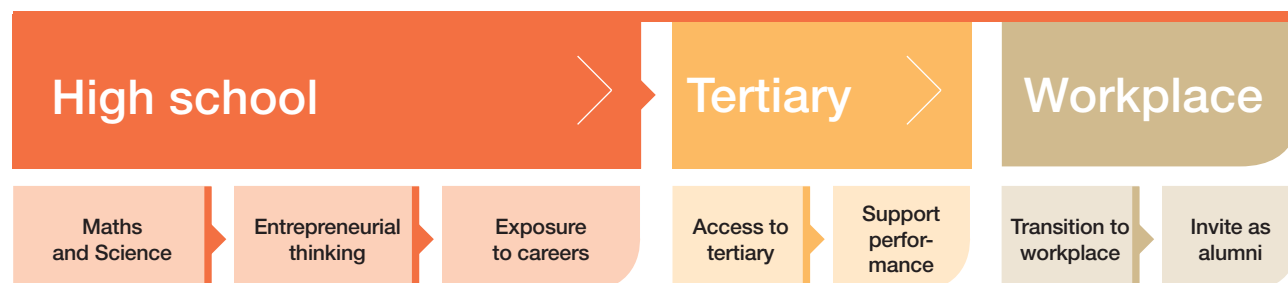
Our CSI endeavours are central to the group's philosophy of making an unselfish contribution to society, and underpin perceptions of Investec as a good corporate citizen. Our approach to CSI focuses on education and entrepreneurship. We believe this to be the most effective way to create opportunities for employment, wealth creation and stimulating socio-economic growth. Wherever possible, we seek to collaborate with partners so as to leverage resources and expertise and help ensure enduring impact and long-term sustainability for our projects. In all cases, we look for clear indications that projects are enduring, sustainable and replicable (where appropriate) and are guided by strategic intent rather than philanthropic well-meaning.

Our CSI strategy is aimed at facilitating the empowerment of talented individuals within a defined continuum of interventions through school and university to the workplace. So that they may become to this end, the following two key objectives have been identified:

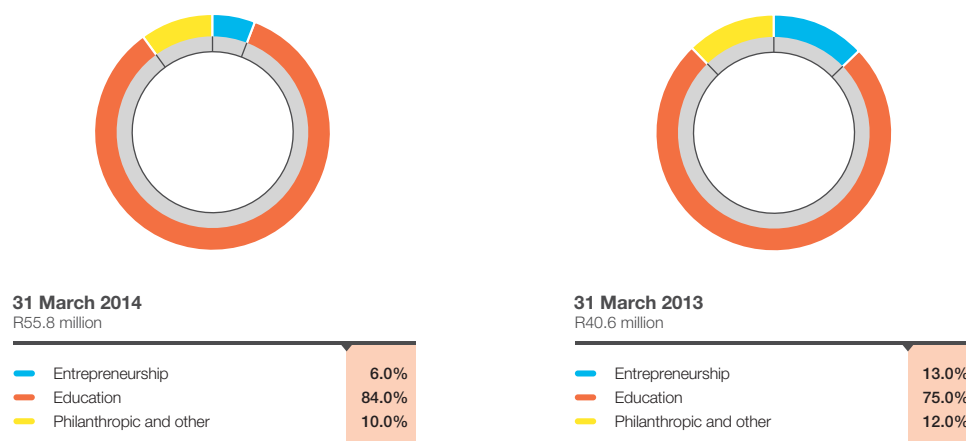
- To facilitate an increase in the number of entrepreneurially-minded matriculants as well as those with a decent pass in English, Mathematics and Science who have an aspiration to proceed beyond Matric
- To facilitate access to quality tertiary education.

Supporting our communities (continued)

The illustration below shows how various components of our strategy form a pipeline of interventions starting at high school and progressing to the workplace.



Breakdown of spend by the CSI division in South Africa



Highlights

In line with our strategy, a total of 90% of South Africa's CSI spend was allocated to education and entrepreneurial initiatives:

- Promaths – This year, 92% of the Matric Promaths class of 2013 obtained 60% and above for Pure Maths
- During the 2013 academic year we launched four new Promaths centres in Cape Town, Port Elizabeth, Pretoria and Durban, thereby creating space for 1 800 more learners to be part of this programme
- The 2013 academic year saw the piloting of the Brainwave mobile career helpline hosted on Mxit, a free instant messaging application designed to

be a user-friendly information tool, relevant for learners in need of career guidance. This online platform may also be utilised by unemployed graduates in need of information about organisations recruiting for new talent

- Investec continued its partnership with Junior Achievement South Africa in an entrepreneurship initiative that reaches approximately 350 learners in previously disadvantaged communities
- The Cradle Project, a group of Investec employees who give their time and resources to improving the lives of those less fortunate in our surrounding communities, allocated R628 298 (2013: R508 999) to a variety of worthy causes.

Education

Promaths

Our flagship educational programme, Promaths, is aimed at supporting the education system in generating students who are competent in Maths and Science. Through this programme, we support high school learners in grades 10 to 12 with intensive extra tuition in Pure Maths and Science. It is important to note that the programme does not seek to replace the role of Maths and Science educators in schools, but rather to supplement their efforts in order to improve the Maths performance of high-potential learners in their schools. Investec has previously supported Promaths clusters in Dobsonville, Soweto as well as QwaQwa in the Free State.

Supporting our communities (continued)

Promaths programme in South Africa

	Dobsonville, QwaQwa and Umlazi	Dobsonville and QwaQwa	
Academic year	2014	2013	2012
Number of Maths distinctions	189	114	50
Number of Maths decent passes (50% – 100%)	464	307	214
Number of Science distinctions	158	84	61
Number of Science decent passes (50% – 100%)	421	276	196

Since its inception, Promaths has assisted many students in improving the Maths and Physical Science marks by an average 25%.

Improvement in subject averages

QwaQwa

Subject	Baseline (subject average)	Final exam (subject average)	% change
Maths	44	70	26
Science	39	69	30

Dobsonville

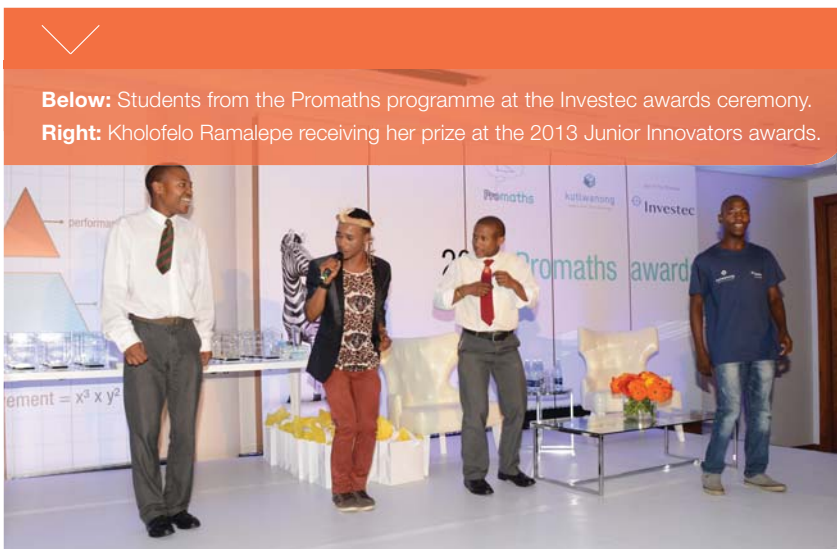
Subject	Baseline (subject average)	Final exam (subject average)	% change
Maths	52	76	24
Science	52	76	24

Umlazi

Subject	Baseline (subject average)	Final exam (subject average)	% change
Maths	49	72	23
Science	44	68	24

Below: Students from the Promaths programme at the Investec awards ceremony.

Right: Kholofelo Ramalepe receiving her prize at the 2013 Junior Innovators awards.



Supporting our communities (continued)

Teacher internship programme

Investec has entered into a partnership with Independent Schools Association of Southern Africa (ISASA) and the Department of Education in an initiative to develop quality teachers of Mathematics, Science and English, producing a new breed of teachers. This teacher internship model sees students being recruited by ISASA and then being enrolled to complete a four-year BEd degree. During these four years, each student is assigned to shadow and learn from the best teachers in one of the independent schools in South Africa. The main focus is on Maths and how to teach it. The 2013 academic year saw an intake of 71 teacher interns and placed them at 40 schools across the country.

Career guidance

As part of its education focus, Investec would like to increase the number of learners who not only pass Matric well, but also have an aspiration to proceed with their studies beyond Matric. In response to a broader need around career guidance and an attempt to contribute towards this aspiration, Investec has made career guidance central to its education offerings. The 2013 academic year saw the piloting of the Brainwave mobile career helpline hosted on Mxit, a free instant messaging application designed to be a user-friendly information tool relevant for learners in need of career guidance. At a minimum, this mobile career helpline is to ensure that beneficiaries of the Investec-funded initiatives are exposed to meaningful and continuous career guidance to enable them to make informed career choices.

Bursary, mentorship and alumni programmes

Investec, in partnership with Study Trust, awards young South Africans with academic potential and in financial need, the opportunity to study towards financial sector-related degrees at various local universities. The programme's students vary from first-year to honours level. As part of the bursary programme, Investec bursary recipients are paired with Investec staff members who volunteer to be their mentor throughout their academic career. Mentors provide guidance and support as students navigate the challenges of tertiary education. In the 2013 academic year, the programme had 88 bursary recipients from first-year to honours level.

Bursary programme

	Number of students		
	2014	2013	2012
Bursary programme	87	88	75
Bursary alumni	68	50	38
High school bursary	17	10	11

University programmes

In an effort to not only facilitate access to quality tertiary education but to support performance at university level, Investec has entered into partnerships with a number of universities running various programmes aimed at extending additional support to students, so as to increase their chances of completing their degrees. Our partnerships with local universities (UCT, Rhodes, NMMU and Wits) have continued over the last financial year.

Entrepreneurship

Junior Achievement South Africa

In a quest to create a meaningful legacy for Investec and the communities within which we operate, we have sought to engage in social investment initiatives that facilitate the opportunity for many up and coming youngsters to become active economic participants in society. In 2013, Investec continued its partnership with Junior Achievement South Africa in an entrepreneurship initiative that seeks to stimulate an entrepreneurial mindset as well as life skills amongst grade 10 and 11 learners. This programme sees approximately 350 learners from 10 schools in previously disadvantaged communities participating in a 23-week long Entrepreneurship Academy programme. The programme creates an opportunity for these learners to acquire practical hands-on skills to launch and manage their own small businesses.

Volunteerism

We believe that more can be achieved through successful partnerships with staff, hence the effort to encourage our staff members to take keen interest in and participate in some of our initiatives.

The Mandela Day campaign is driven across the country by the Nelson Mandela Foundation in which Investec participates. It is open to all companies and individuals with the idea of volunteers giving 67 minutes of their time to a community or a cause of their own choice. In support of the Nelson Mandela Day and efforts, we declared July the Nelson Mandela month, and on Saturday, 6 July 2013 staff and volunteers from the Westbury community spent their day preparing and planting a food garden in partnership with Food and Trees for Africa. This food garden will supply vegetables to a feeding scheme which feeds over 300 children a day. Staff also planted 25 trees in order to offer shade and fruit for the project. Further training is being given to volunteers at the centre to sustain these efforts.

The Cradle Project is a staff-initiated programme which allows staff to present their own charitable donation requests to a forum which receives capital from the group. Staff members also give their time and personal resources to improving the communities around us. Cradle Project allocated R628 298 from staff members in the past financial year and staff participated in a

variety of mentorship programmes supporting both high school and tertiary learners. 'Touch by Giving' is another programme which offers staff a simple way to make a monthly donation directly from their salaries to pre-selected charities.

Mauritius

Investec Bank Mauritius has a CSI strategy to focus on projects and initiatives in education, environment and sports development. The office contributed £58 269 (2013: £75 241) to a number of corporate social investment projects during the financial year. Please refer to Investec Bank (Mauritius) Limited's annual report for more detail.

Australia

The Investec Foundation in Australia embodies our philanthropic commitment to the Australian community. This commitment is illustrated primarily through supporting meaningful health, welfare and educational programmes, while remaining focused on preserving the local environment and managing our environmental footprint.

To create a positive social impact the Investec Foundation focuses on a small number of sustained philanthropic giving and volunteering efforts. We partner with local, entrepreneurial organisations which perform remarkable work in these fields.

Supporting our communities (continued)

Highlights

The Australian office contributed A\$253 009 (2013: A\$347 600) to a number of CSI projects:

- Over 250 (2013: 230) Investec employees participated in the bank's second consecutive year of the national volunteering initiative, ICARE
- Over two years, TOOTH has treated 3 485 patients with a combined value of A\$754 436.50
- Our staff donated A\$67 664 (2013: A\$76 996) which was matched by Investec
- Investec Australia continued its involvement with Australian Business Community Network (ABCN) by committing 33 mentors throughout the year, consisting of four programmes within two different schools
- Investec Australia has committed to support Football United on a two-year basis. Football United uses football to bring people together for the common goal of creating harmonious and cohesive societies
- A new project was embarked upon between our Power and Infrastructure Finance business, the South Australian government and not-for-profit housing provider, Community Housing Limited, to use an innovative rent-then-buy

model to deliver affordable housing for workers including teachers, nurses, police officers and hospitality staff. The finance model is geared towards social sustainability by enabling key professionals to afford to buy in a suburb close to their place of employment.

ICARE

ICARE is Investec's Australia-wide volunteering day. This is a volunteering day where Investec reaches out to the community. It is well received by all parties involved as it also enables employees to team-build as well as assisting and promoting a better and more sustainable future for the community. The day stemmed from Investec's range of volunteering opportunities as part of our sustainability programme and partnership with the ABCN.

The Outback Oral Treatment and Health (TOOTH) programme

TOOTH was launched to address the serious and untreated dental disease of those living in remote areas, where access to dental care is a significant challenge. In its first year, the service has already made a positive impact in the remote communities it serves, bringing much needed regular dental services and oral health education to complement those already on the ground. TOOTH exceeded its second-year goal of 512 clinics by providing 516 clinics including 15 oral health promotion clinics to rural and remote Australia.

Australian Business Community Network (ABCN) programme

The ABCN programme is a partnership of highly committed national business leaders and companies working on mentoring and coaching programmes. It was established to educate, equip and challenge members to use their business skills and resources collaboratively for greater social impact, specifically to improve opportunities for disadvantaged students and schools. This is achieved through mentoring, partnering and support programmes. All staff are encouraged to participate in programmes to bring about positive social change by engaging their hearts and minds in the local community.

Shalom University Scholarship programme

Investec proudly supports the Shalom Gamarada Scholarship programme, a scholarship programme for indigenous Australians studying at university. This programme offers residence at Shalom College to Aboriginal and Torres Strait Islander students studying at University of New South Wales (UNSW) and runs in partnership with UNSW's Nura Gili Indigenous programmes and the Muru Marri Indigenous Health Unit.

Making a difference

Investec provides matched workplace giving for employees through the Investec Foundation. The programme supports employees who fundraise or donate to not-for-profit organisations by matching contributions up to A\$2 000 per employee per year. The Investec Foundation also allocates funding for corporate donations that meet our philanthropic focus areas.

Below: Investec staff volunteering – ICARE

Right: TOOTH dentist Callum Addison performing an extraction at the Collareneban TOOTH Clinic.





FOUR

Planet

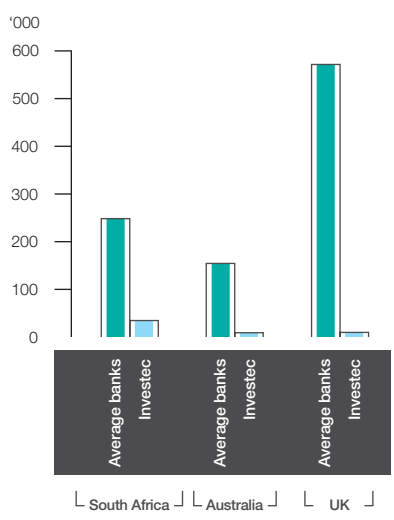
Introduction

Planet

In promoting sustainability as part of Investec's core strategy, we believe there needs to be a balance between economic and financial imperatives, the needs of society and their combined impact on the environment.

As a niched, specialist, knowledge-based financial services organisation with a small physical presence, the direct environmental and social impacts of Investec's daily operations are limited (as seen in the peer comparison graph).

2013 peer comparison for scope 1 and 2 emissions (tCO₂e)



Source: Calculated from CDP Country Reports, 2013.

Our environmental policy

- We will consider any meaningful activity that either reduces the negative impact or prolongs life on 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.

Indirect impact

The area in which Investec can make the most meaningful contribution to the environment is through responsible financing and investing and supporting businesses involved in renewable energy and green developments.

Green investments and developments

Funding green developments

Investec Private Bank is funding the development of Crossways Farm Village in the Kouga region of the Eastern Cape. The farm consists of 560 hectares of farmland surrounded by nature reserves. It includes homes, shops and outdoor facilities, light commercial units and a working farm whose profits are shared amongst the community.

The self-sustaining village is based on the following environmentally-friendly principles:

- Building on only part of the land, and making homes part of the natural landscape
- Keeping the best environmental land for all to enjoy with about one-third of the property earmarked for conservation
- Harvesting rainwater off roofs and streets as well as solar heating which is vital to the village's sustainability
- Local recycling and composting to reduce the volume of organic matter that goes into landfills.

Green building financing

Investec's Real Estate Finance team in Australia facilitated an A\$115 million debt facility for the construction of a six-star Green Star and five-star NABERS rated commercial office buildings in Canberra.

Responsible property management

Investec Property Fund (which is managed by Investec Property and 44.3% owned by Investec Limited) actively explores sustainable business development through energy efficiency and greening initiatives to create more sustainable space at a reduced total cost of occupancy. These initiatives have resulted in a real (excluding statutory increases) saving of 10.7% or R7.5 million during the period under review. Investec Property Fund embarked on a sustainability programme intended to track and manage our utility consumption in order to ensure efficient utility management and ultimately reduce consumption. The initial phase was focused on efficiency improvement and the next phase will involve replacement and generation.

An exercise was undertaken to benchmark our entire portfolio by establishing a baseline and then identifying efficiency initiatives with short pay-back periods. These included energy-efficient lighting, monitoring operating hours of equipment, changing billing tariff structures and installing power factor correction units.

The initial phase of this initiative was successful and, in particular, our retail properties, The Firs and Balfour Mall, showed impressive results. The Firs saw a 17.7% reduction in its electricity expense, resulting in a saving of R1.5 million per annum; and Balfour Mall experienced a 17.9% reduction in the electricity expense of R3.7 million per annum. A power correction unit is currently being installed at Balfour Mall, and we expect that this will result in an additional cost savings of 5%.

Influencing behaviour through knowledge and control

In our role as a global asset manager, our primary goal is to deliver on our clients' mandates. The essential purpose of which is to preserve and grow the real purchasing power of our clients' assets over the long term. We do this through assuming a stewardship role over our clients' assets, including exercising of their ownership rights. Over the years, we have invested in recruiting a number of environmental, social and governance (ESG) investment professionals, as well as developing tools and processes which leverage increasingly available data. The practical end of our stewardship responsibility lies with the different investment teams who aim to incorporate material environmental social and governance issues into their analysis and portfolio construction in their aim to fulfil their client mandate. We believe this approach benefits both our clients and the social realms in which we invest and operate.

In line with this we are signatories of the Carbon Disclosure Project and their Carbon Action initiative, which calls for business to monitor the cost-effective management and reduction of carbon emissions. We are also signatories of the United Nations Principles for Responsible Investment and we endorse the Organisation for Economic Cooperation and Development principles on corporate governance.

Full details on our Stewardship Policy can be found on the Investec Asset Management website (<http://www.investecassetmanagement.com/united-kingdom/about-us/stewardship/>).

Green business

Recent renewable energy deals

Investec Corporate and Institutional Banking has facilitated numerous projects in the renewable and conventional power sectors across the globe. Investec won the African Renewable Deal of the Year in the PFI Awards 2013 for the Bokpoort CSP project.

Date closed	Name of deal	Value	Investec role	Project type	Country	Project brief
May 13	Eternity Power Cogeneration	R155 million	Investor and sole lender	Ormat ORC system	SA	Investec, in partnership with Vuselela Energy, launched South Africa's first co-generation power plant using an Ormat Organic Rankine Cycle (ORC) system. This uses waste heat from hot water received from a smelter, to evaporate an organic liquid and drive an expansion turbine.
May 13	Good Energy	£11 million	Mandated lead arranger	Wind	UK	Investec is providing a senior secured facility to fund the construction of an 8.2mW UK onshore wind project for Good Energy.
June 13	Sishen PV	R2 billion	Joint mandated lead arranger and underwriter	Solar Photovoltaic (PV)	SA	The project consists of the construction and operation of a solar PV facility with a total net contracted capacity of 74mW. The facility will be constructed on a 620 hectare site, 17km north-west of the town of Kathu, an area known as one of the best irradiation sites globally and will use 319 600 crystalline solar panels.
June 13	West Coast One	R2 billion	Investor and mandated lead arranger and underwriter	Wind	SA	Located 130km north of Cape Town, the wind farm will consist of 47 wind turbines. In addition to being a co-developer and shareholder, Investec was joint mandated lead arranger for the debt.
July 13	Evermore	£79 million	Lead arranger	Bio-mass	UK	Investec arranged the £43 million senior debt tranche for the 15.8mW combined heat and power Evermore Renewable Energy biomass project in Liahally, Northern Ireland.
August 13	A Shade Greener	£25 million	Mandated lead arranger	Roof top solar	UK	Investec acted as the lender on a revolving senior debt facility to fund the expansion of the sponsor's rooftop solar business. An additional 20 000 rooftop solar systems are being installed in the next year.
August 13	Bokpoort CSP	R5 billion	Lead arranger and underwriter	Solar Concentrated Solar Power (CSP)	SA	The Bokpoort CSP project will be among the most efficient solar plants in the world operating in this class of capacity and technology. It is expected to yield a record-high generation in excess of 200 GWh/year to support the power grid of South Africa.
August 13	American Wind Capital	\$100 million	Joint lead arranger/ syndication agent	Solar and wind	USA	Investec acted as joint lead arranger and syndication agent to provide American Wind Holdings, LLC with \$100 million in senior debt, secured by land/lease royalties on renewable energy projects throughout the US.
October 13	Lightsource Refinancing	£30 million	Mandated lead arranger	Solar farm	UK	Investec provided a refinancing facility to a 38mW portfolio of four solar farms. Located at four different locations across the South and South East of England, the installations have been built under the Renewables Obligation subsidy regime.

Giving back to the environment

Giving back to the environment

Given Investec's African heritage, 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.

Investec Rhino Lifeline

South Africa loses rhinos on a daily basis. The rhino crisis has become the most significant conservation issue faced by the country. Poaching attacks represent lawlessness, a lack of political will, human greed and a disregard for the wellbeing of animals in spite of the most dramatic public response in our conservation history.

The Investec Rhino Lifeline initiative, together with Dr Will Fowlds, continued to raise awareness around the rhino crisis and a pilot education programme was launched through our partnership with Coaching for Conservation in September 2013. We also developed a partnership with Wilderness Foundation, a recognised and credible non-government organisation, to enable fundraising initiatives to further support education, rescue and prevention initiatives.

Conserving our wild dogs

The wild dog is Southern Africa's most endangered large carnivore and one of the most endangered carnivore species in the world. Investec Property continued to support the Endangered Wildlife Trust

Carnivore Conservation programme's research and monitoring of the African wild dogs in the Kruger National Park. This is an ongoing research project focused on identifying the threats facing African wild dogs in the park, with emphasis on viable methods to improve their conservation status.

Protecting our bird life

The power and infrastructure team continues to play an active role in the renewable energy sector and, during the course of the year, they supported a number of transactions both as lender and equity investor in the country's renewable energy programme. The team takes consideration of the environmental impact of these types of transactions and continues its partnership with BirdLife South Africa to fund research on the environmental impact of renewable energy such as wind energy facilities on the local birdlife in South Africa.

BirdLife South Africa helps ensure that the impact of renewable energy facilities on birds and habitats is adequately assessed and mitigated, and encourages developers and their specialists to comply with international best practice and minimum standards when monitoring the impact on birds. This will help us gain a better understanding of the impact and improve environmental performance and decision-making in the future.

Mauritius environmental project

The group has sponsored an environmental project in Mauritius to aid local farmers with nutritional farming. This farming

methodology is based on building soil fertility using biological inputs as opposed to chemical fertilisers.

The delegates learnt how to increase the soils humus, micro-bial and micro-element content. Three farmers were supported to introduce sustainable farming on their land and, in the first year of the sponsorship, have been able to sequester 3 700 tons of CO₂ in the soil in addition to producing good amounts of consumer-health-enhancing vegetables and fruits. Soil carbon sequestration is the process of transferring CO₂ from the atmosphere into the soil through crop residues and other organic solids, and in a form that is not immediately re-emitted. This transfer or 'sequestering' of carbon helps offset emissions from fossil fuel combustion and other carbon-emitting activities while enhancing soil quality and long-term productivity.



Nutritional farming at Belle Vue Plot in Mauritius.

Greening the community

Investec Sandton embarked on an external environmental campaign which involved greening Sandown High School. As a result of the implementation of these renewable energy technologies, the school's electricity overheads will be reduced and the money saved can be used on more pertinent needs for the pupils such as stationery, extra lessons and maintenance of the school building. A recycling competition was also launched which created awareness on what waste can be recycled. The idea behind this is twofold: firstly, it cleans up their community and secondly, the recyclables will bring in funds for the school.



Coaching for Conservation education programme launched in September 2013.

Direct operational impact

Our internal environmental strategy is focused on creating awareness and encouraging behavioural change in recognition of our environmental responsibilities. Investec recognises that effective environmental management is an essential part of embedding this philosophy into the organisation. We are committed to operating an effective environmental management system compliant with King III in South Africa and ISO 14001:2004 in the UK.

Our Environment Management System allows us to track and manage our direct operational impact. The system imports data from various sources, consolidates the information and calculates our carbon footprint. The implementation of the system allows us to produce reliable emissions data, accurately build a history of our carbon footprint and will assist in setting targets for future emissions. This year we focused on improving the thoroughness

of our data collection for all environmental indicators and continued to increase the scope of measurement of our water, paper, business travel and recycling data. Further, we increased the number of offices covered.

During the period under review, we continued to focus on our direct operational impacts by influencing internal behaviour through the environmental programmes communicated to staff by our team of environmental champions, Team Green. The teams are made up of representatives from across the business areas and aim to raise awareness around our environmental impact and to encourage positive and sustainable behaviour change amongst our staff through education and engagement. Team Green held several campaigns over the past year to raise staff awareness across the group around a variety of water, waste, energy and sustainable travel issues.

Group carbon footprint

Our respective carbon footprints have been calculated according to the International Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard (revised edition), and data has been gathered to fulfil our requirements under the CRC Energy Efficiency scheme. We use the operational control method to determine what is included in our scope of reporting. Materiality set at a group level was 5% with all facilities estimated to contribute >1% of total emissions included. Limited assurance was provided by Grant Thornton.

The increase in total emissions is largely in scope 3 and is a result of increased international business travel due to increased activity from our businesses. Team Green continued to encourage the use of video-conferencing to reduce long-haul business travel. Part of the increase in recorded consumption relates to more business road and rail travel being captured.

Carbon footprint for the group

	31 March 2014	31 March [^] 2013
Tonnes of CO ₂ equivalent:		
Scope 1	2 507	2 261
Southern Africa	1 802	1 476
UK and Other	705	785
Australia*	n/a	n/a
Scope 2	38 493	39 183
Southern Africa	29 979	31 561
UK and Other**	7 673	6 609
Australia	840	1 013
Scope 3	26 735	15 917
Southern Africa	15 589	8 275
UK and Other	11 057	7 589
Australia	89	53
Total emissions	67 734	57 361
Total average employees (including temporary employees)	8 074	7 847
Emissions per average employee	8.39	7.31
m ² office space	174 472	147 325
Emissions per m ² office space	0.39	0.39

* No scope 1 emissions recorded.

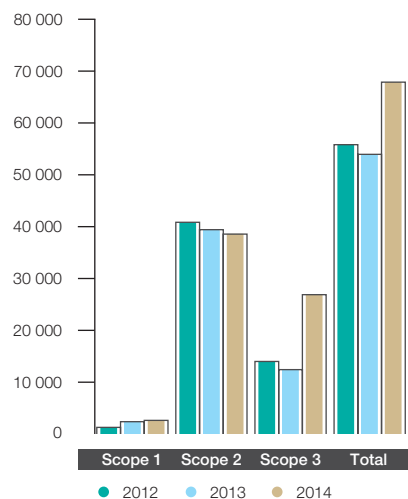
** UK and Other energy coverage increased to include our New York, Manchester, Toronto, Edinburgh, Reigate, South Hampton and Zurich offices.

[^] 2013 restated to reflect more accurate measurements for business travel long haul.

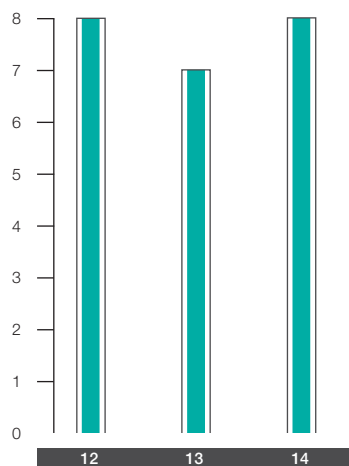
Investec group received two awards from the Carbon Disclosure Project – Gold recognition status was given for a score of A- on Climate Performance in 2013 and we were also included in the Climate Disclosure Leadership Index 2013 (Top 11 in South Africa across all sectors).

Direct operational impact (continued)

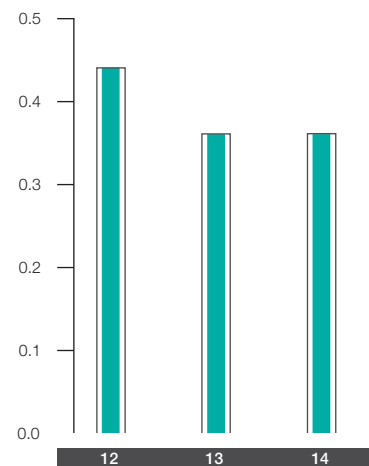
Total group emissions (tCO₂e)



Emissions per average employees (tCO₂e)



Emissions per m² office space (tCO₂e)



UK and Other carbon footprint



UK and Other consumption

		Units	31 March 2014	31 March 2013
Scope 1				
Energy*	Gas consumption	kWh	3 773 803	3 560 230
	Diesel	l	1 440	1 440
Refrigerant	Refrigerant	kg	–	79
Scope 2				
Energy*	Electrical energy	kWh	15 061 462	13 470 655
Scope 3**				
Material	Paper	t	34	37
	Paper recycled	t	317	320
Waste	General waste to CHP	t	72	77
	Waste recycled	t	139	94
Employee travel	National rail	km	2 053 646	1 443 965
	Road business travel	km	1 783 638	1 118 019
	Taxi	km	63 151	114 637
	Commercial airlines	km	23 735 658	21 788 816
No scope				
Water	Water consumption	kl	26 729	22 336
	Waste water	kl	26 729	22 229
Total emissions			19 435	14 983
Total average employees (including temporary employees)			3 355	3 256
Emissions per average employee			5.79	4.60
m ² office space			51 491	51 044
Emissions per m ² office space			0.38	0.29

* UK and Other energy coverage increased to include our New York, Toronto, Edinburgh, Reigate, Manchester, South Hampton and Zurich offices.

** Scope 3 data is only collected for UK, Ireland and Guernsey.

Direct operational impact (continued)

Highlights for the UK Gresham Street Head Office

- 100% of our energy usage is monitored via smart metres. We continue to exceed our energy reduction targets, despite a headcount increase. With a base year of 2008/9, in 2013/14 our electricity reduction was 27% against a target reduction of 25%, while our gas reduction was 58% against a target of 25%.

UK energy table

Electricity			Gas		
Year	% Target	% Achieved	Year	% Target	% Achieved
2008/9	Base year	Base year	2008/9	Base year	Base year
2009/10	(9%)	(8%)	2009/10	(9%)	(17%)
2010/11	(15%)	(18%)	2010/11	(15%)	(55%)
2011/12	(19%)	(23%)	2011/12	(19%)	(58%)
2012/13	(22%)	(29%)	2012/13	(22%)	(66%)
2013/14	(25%)	(28%)	2013/14	(25%)	(58%)

- We continue to operate a zero-to-landfill waste policy and our current recycling rate is 84%, an increase of 8%, 29% of which is food waste sent to anaerobic digestion to become biofuel/biofertiliser. This is against a headcount increase of 12% during this period
- Recognising that we have a part to play in improving the air quality in the city of London where our head office is situated, Investec was one of the first city businesses to sign up to the recent Air Quality Pledge. The pledge commits us to try to raise the profile of air quality, reduce gas consumption and install low nitrous oxide (NOx) technology, promote walking and cycling to staff and clients, and to reduce the number of deliveries servicing our business
- We continue to bottle our own pure drinking water into Investec branded glass bottles for use in our hospitality suite. We refilled 25 353 litre bottles during 2013/14, helping reduce our delivery footprint, and reducing our glass recycling by 7 099 kg
- Our commitment to reducing our environmental impact includes promoting sustainable travel through various initiatives. These include:
 - Setting up an affiliate account with a UK car club. The use of car clubs is a smarter, environmentally-friendly, cost-effective, convenient and maintenance-free alternative to using a privately owned car. Using one car club vehicle takes 15 personally owned vehicles off the road, reducing fuel emissions and road congestion
 - We partnered up with the UK's largest car sharing social enterprise. Membership enables our staff to share their car journeys with Investec colleagues from across our offices
 - Our Cycle2Work offering continues to be popular with our staff. We have 100 bicycle parking bays in our basement, and a local bicycle maintenance company carries out regular bike maintenance sessions from the parking bays.
- In a campaign to reduce air pollution while enhancing staff health and wellbeing, Team Green launched the 'step into health' campaign. The campaign encouraged staff to walk more around the office by taking the stairs rather than the lift, and to walk around the city rather than take a taxi. Pedometers and walking maps centred around our London office were offered to staff to assist them in this quest
- Our Guildford office was the first UK low-carbon commercial building to achieve the Low Carbon Workplace Standard. It passed stretching requirements to achieve the standard by making a 33% reduction in carbon emissions per person in its 160-year-old former printing press building. The Low Carbon Workplace concept was developed by the Carbon Trust. Funders, developers, landlords and occupiers collaborate to ensure that buildings are designed, built and operated to maximise energy savings. Energy efficiency performance is then monitored over a two-year period and successful performance is rewarded with the new Low Carbon Workplace Standard
- Investec Gresham Street is the first in the Financial Services and Banking sector company to achieve certification to the Carbon Trust Standard for Waste. Just 20 organisations worldwide have achieved this certification to date. The carbon standard reflects a quantitative improvement in waste management and demonstrates quantitative effectiveness at responding to waste through waste measurement and management.

Direct operational impact (continued)

Southern Africa carbon footprint



Southern African consumption		Units	31 March 2014	31 March 2013
Scope 1				
Energy	Gas consumption	kWh	79 187	82 568
	Diesel	l	25 687	30 553
Refrigerant	Refrigerant	kg	733	663
Employee travel	Vehicle fleet	km	1 892 879	1 563 811
Scope 2				
Energy	Electrical energy	kWh	30 654 933	31 943 427
Scope 3				
Material	Paper	t	120.10	83.00
	Paper recycled	t	69.64	57.00
Waste	General waste	t	60.58	25.00
	Waste recycled	t	134.02	47.00
Travel	Employee business travel	km	37 689 167	34 079 739
Employee travel	Road business travel	km	308 491	277 811
	Commercial airlines	km	37 380 675	33 801 928
No scope				
Water	Water consumption	kl	118 357	103 182
Total emissions			47 370	37 691
Total average employees (including temporary employees)			4 260	4 130
Emissions per average employee			11.12	9.13
m ² office space			117 519	89 421
Emissions per m² office space			0.40	0.42

2013 restatements – Business travel long haul restated to reflect more accurate measurements.

Highlights

- Our biggest energy consumers are heating, ventilation and air-conditioning systems, lighting and information technology. In 2011 we embarked on a journey to improve our energy efficiency by installing energy-efficient, light-emitting diodes (LEDs) and timers on our geysers. In the current period we continued on this journey by consolidating our data centre and implementing smart computer switching. These efforts have resulted in a 4% reduction in our electricity usage in our Sandton office
- In order to encourage recycling and simultaneously support surrounding communities, Investec staff partnered with Interwaste, a waste management company, in an initiative called 'Tops and Tags' where companies or individuals collect plastic bottle tops and plastic bread tags to be recycled. When contributors have collected 100 000 tops and tags they exchange these for a wheelchair which is then donated to a charity of their choice. Since inception, staff have collected enough tops and tags to donate 14 wheelchairs to the community
- On Earth Day, staff were made aware of Investec's recycling system. Investec recycles paper, cans, plastic and glass. Food waste fit for consumption is distributed to charities. E-waste is sent to an outside organisation to refurbish or dispose of the computers in an environmentally-friendly manner. Refurbished computers are then distributed to selected Investec charities
- A number of staff awareness campaigns were held during the year on topics such as water awareness, World Food Day, Arbor Week, Earth Day and Earth Hour.

Direct operational impact (continued)

Australia carbon footprint



Australian consumption		Units	31 March 2014	31 March 2013
Scope 2				
Energy	Electrical energy	kWh	954 864	1 113 079
Scope 3				
Material	Paper	t	21	12
	Paper recycled	t	19	20
Waste	General waste	t	35	31
	Waste recycled	t	21	16
Total emissions			928	1 066
Total average employees (including temporary employees)			459	461
Emissions per average employee			2.02	2.31
m ² office space			6 860	6 860
Emissions per m² office space			0.14	0.16

Note: The Australian office was unable to provide reliable data on Scope 1 emissions and water consumption for the year.

Highlights

- An audit of high-power usage areas was performed to ensure that timing and sensor systems are optimised for best usage
- We continued to decrease the number of personal computers (PCs) by switching over to Wyse systems (virtual PCs which you can log on to anywhere within the office). Each virtual system uses only 6W of power compared to 96W used by PC. As this equipment is left on 24/7 for maintenance reasons, this means that each virtual system saves us a potential 788kWh per annum
- All IT equipment that is no longer in use is now donated to local schools
- We continued to raise general awareness by utilising print management and 'swipe-to-print' facilities
- We participated in Earth Day and employees were made aware of Investec's recycling system. Investec recycles paper, cans, plastics and glass.



The way we do
business



Communication and stakeholder engagement



Building trust and credibility among our stakeholders is vital for good business

The board recognises that effective communication is integral in building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders, as defined below. The purpose is to help these stakeholders make meaningful assessments and informed investment decisions about the group.

We endeavour to present a balanced and understandable assessment of our position by addressing material matters of significant interest and concern. We seek to highlight the key risks to which we consider ourselves exposed and our responses to minimise the impact of these risks. Another objective is to show a balance between the positive and negative aspects of our activities in order to achieve a comprehensive and fair account of our performance.

As a requirement of our DLC structure, we comply with the disclosure obligations contained in the applicable listing rules of the United Kingdom Listing Authority (UKLA) and JSE and other exchanges on which our shares are listed, and with any public disclosure obligations as required by the UK Regulators and SARB. We also recognise that from time to time we may be required to adhere to public disclosure obligations in other countries where we have operations, for example, Australia.

The Investor Relations division has a day-to-day responsibility for ensuring appropriate communication with stakeholders and, together with the Company Secretarial division, ensures that we meet our public disclosure obligations.

We have a board-approved policy statement in place to ensure that we comply with all relevant public disclosure obligations and uphold the board's communication and disclosure philosophy.

Employees

- Communication policy
- Quarterly magazine (Impact)
- Comprehensive intranet site
- Staff updates hosted by executive management

Investors and shareholders

- Annual general meeting
- Four investor presentations
- Stock exchange announcements
- Comprehensive investor relations website
- Shareholder road shows and presentations
- Regular meetings with Investor Relations team and executive management
- Regular email and telephonic communication
- Annual and interim reports

Government and regulatory bodies

- Active participation in policy forums
- Response and engagement on regulatory matters
- Industry consultative bodies

Clients

- Four investor presentations
- Regular email and telephonic communication
- Comprehensive investor relations website
- Regular meetings with Investor Relations team and executive management
- Tailored client presentations
- Annual and interim reports
- Client relationship managers within the business

Suppliers

- Centralised negotiation process

Rating agencies

- Four investor presentations
- Regular email and telephonic communication
- Comprehensive investor relations website
- Regular meetings with Investor Relations team and executive management
- Tailored presentations
- Annual and interim reports

Media

- Regular email and telephonic communication
- Stock exchange announcements
- Comprehensive investor relations website
- Regular meetings with Investor Relations team and executive management

Equity and debt analysts

- Four investor presentations
- Stock exchange announcements
- Comprehensive investor relations website
- Regular meetings with Investor Relations team and executive management
- Regular email and telephonic communication
- Annual and interim reports

Corporate governance and risk

Sound corporate governance is implicit in our values, culture, processes, functions and organisational structure. Structures are designed to ensure that our values remain embedded in all businesses and processes. We continually refine these structures, and a written statement of values serves as our code of ethics

We operate under a dual listed company (DLC) structure, and consider the corporate governance principles and regulations of both the UK and South Africa before adopting the appropriate rule for the group. All international business units operate in accordance with the above determined corporate governance requirements, in addition to those of their jurisdiction, but with clear adherence at all times to group values and culture.

The board, management and employees of Investec are committed to complying with the disclosure and transparency rules and listing rules of the United Kingdom Listing Authority (UKLA), the JSE Limited (JSE) listings requirements, regulatory requirements in the countries in which we operate, the UK Corporate Governance

Code (the Code) which was issued by the UK's Financial Reporting Council in 2010 and revised in September 2012, and the King Code of Governance Principles for South Africa (King III). Therefore, all stakeholders are assured that we are being managed ethically and in compliance with the latest legislation, regulations and best practices.

Underpinning these legislative, regulatory and best practice requirements are Investec's values and philosophies, which provide the framework against which we measure behaviour and practices so as to assess the characteristics of good governance. Our values require that directors and employees act with integrity and conduct themselves to promote and maintain trust.

Environmental and social risk management



This section should be read together with the full risk report in the Investec group's 2014 integrated annual report.

Overview

Investec has a broad-based approach to sustainability, which runs beyond recognising our own footprint on the environment, our many corporate social investment activities and our funding and investing activities. This is not merely for business reasons but based on a broader responsibility to our environment and society. Accordingly, sustainable risk considerations are considered by the credit committee and investment committee when making lending or investment decisions. In particular the following factors are taken into account when a transaction might be approved or declined based on the outcome of the sustainability considerations:

- Environmental (including animal welfare)
- Social
- Economic.

Environmental considerations

The group supports the precautionary approach to environmental management and strives to minimise and prevent investing in projects or dealing with counterparties where potential and unmitigated environmental degradation might result. The group recognises that identifying and quantifying environmental risk should be part of the normal process of risk assessment and management within businesses.

As the group endeavours to pursue the best practice in environmental management, including energy efficiency, recycling and waste reduction, we seek to form relationships with partners with the same high environmental standards as ourselves.

Values and code of conduct

We have a strong organisational culture of entrenched values which forms the cornerstone of our behaviour towards all stakeholders. These values are embodied in a written statement of values which serves as our code of ethics and is continually reinforced. We view all employees as the custodians of ethical behaviour, which is reinforced through internal processes, policies and procedures. As such, all new employees are invited, and are strongly encouraged, to attend an induction process at which our philosophies, values, culture, risk management and compliance procedures are explained and discussed.

Corporate governance and risk (continued)

The following will be taken into consideration before transaction approval:

- Environmental risk is assessed before the deal is approved and at any new decision point in the transaction
- Environmental sensitivity of new clients will be investigated as stated above and environmentally sensitive 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 neighbouring 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.

Social considerations

Social consideration is driven by the potential risk to the group's reputation. The degree of the participation would be irrelevant and simply being associated with the detrimental environmental effects may hold a significant reputational risk to the group. Reputational damage may prevent new clients from entering into business with the group and existing clients from entering into further transactions.

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.

Economic considerations

The group considers granting funds to stimulate sustainable development in the following ways:

- Investment in projects to achieve sustainable development
- Developing new financial products to stimulate sustainability.

Equator Principles

The Equator Principles (EP) were originally established to address and manage environmental and social risks in project finance transactions. They essentially provide a risk management framework for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making.

We fully support the following key provisions of EP:

- Requiring that all projects comply with applicable environmental, planning, labour and procurement law
- Not funding or investing in projects which do not have acceptable environmental impact assessments, do not comply with procurement and labour laws, and either do or could reasonably be expected to breach acceptable behavioural, ethical or moral standards.

Notwithstanding our support for the intentions of EP, we are not currently a signatory to EP for the following reasons:

- While the principles are adhered to, our current assessment and reporting structure is robust and, on a project-by-project basis, in accordance with World Bank standards as well as the standards of the legal and environmental frameworks of the countries in which the projects are undertaken
- In the case of a number of large infrastructure and energy projects, there is potential conflict between larger, nationwide development imperatives (e.g. additional power generation or road transportation) to enhance the socio-economic welfare of the region, and locally affected

parties whose quality of life stands to be adversely affected by relocation or job loss, for example. These trade-offs are a matter for local parties and their representatives. While we should remain aware of them, it is not our responsibility to pass judgement on such trade-offs. Key to this, however, is that we target transactions in countries with established laws that comply with World Bank Standards and that have due processes that are applied reasonably and effectively. If not, sponsors and suppliers are obliged to give undertakings and compliance with such standards.

In addition, we have now designed the following internal framework to provide enhanced procedures to evaluate and actively avoid, manage and mitigate the potential social and environmental impacts of the projects proposed. Going forward we will require our clients to, specifically and explicitly, include environmental and social reporting in the loan documentation.

Power and Infrastructure Finance (PIF) framework

PIF categorises projects based on type of projects and geography. For example, coal and diesel power generation projects would potentially have higher social or environmental impacts than renewable power projects due to the higher CO₂ and other environmental emissions associated with the fossil fuels. In terms of geographies, projects in Organisation for Economic Co-operation and Development (OECD) countries have to comply with a high level of environment, planning, labour and procurement law and as such they would have less potential adverse social or environmental impacts as a result of careful assessment and mitigation applied to the projects.

Categorisations are defined as below:

- **High risk:** projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented:
 - This is likely to be projects like most coal-fired power plants, certain gas-fired power plants or projects in non-OECD countries. For coal/ gas-fired power plants in OECD countries, these may be classified as high or medium depending on a number of factors such as the country of operation and the sophistication of the applicable

Corporate governance and risk (continued)

- laws in the host country, the size and the experience of the sponsors, and the technology involved
- We currently have projects in the following OECD countries: Australia, Canada, US, Germany, Poland, Italy, Spain, UK and Ireland
- We currently have projects in the following non-OECD countries: Mozambique, Namibia and South Africa. Investec Limited operates within the South African legislative environment and subscribes to the efficacy of local regulation. Further, Investec Limited is included in the JSE Socially Responsible Investment Index which recognises companies for their environmental, social and governance standards and in 2013 was included in the Climate Disclosure Leadership Index in South Africa (Top 11 across all sectors)
- **Medium risk:** projects with potential limited adverse social or environmental impacts that are few in number, generally site specific, largely reversible and readily addressed through mitigation measures:
 - This is likely to be projects like ground-mounted solar parks, waste-to-energy plants, wind farms, biomass plants, hydro plants, landfill gas projects, biogas plants, roads, ports, etc.
- Projects in certain non-OECD countries will also be classified as medium risk. For example, renewables, baseload (non-coal/gas) and co-generation programmes in South Africa as these are all quite strictly governed and monitored so policy implementation risk is minimised
- **Low risk:** projects with minimal or no social or environmental impacts:
 - This is likely to be projects like hospitals, prisons, car parks, motorway service stations, roof top solar projects, telecoms projects, etc.

We would expect that the project would comply with the applicable environmental, planning, labour and procurement law. Where there is a potential significant/limited adverse social or environmental impact, we will expect the projects to undergo the suitable risk and impact assessment and to comply with a mitigation/action plan similar to those below:

Risk	Mitigation
<ul style="list-style-type: none"> Potential environmental issues Protection and conservation of biodiversity Management of dangerous substances Pollution/emission/waste management Contaminated land. 	<ul style="list-style-type: none"> Loan documentation/due diligence to ensure borrower complies with applicable environmental laws in host country* Environmental and social reporting to be included in loan covenants post-2014 Periodic site visits.
<ul style="list-style-type: none"> Potential social issues Health and safety issues Land acquisition and involuntary resettlement issues. 	<ul style="list-style-type: none"> Loan documentation/due diligence to ensure borrower complies with applicable planning/social/procurement laws in host country* Environmental and social reporting to be included in loan covenants post-2014.
<ul style="list-style-type: none"> Human rights issues Labour issues. 	<ul style="list-style-type: none"> Loan documentation/due diligence to ensure borrower complies with applicable social laws in host country* Ensure source of equipment (e.g. solar panels from China) comes from PIF-approved suppliers which tend to be large corporates Environmental and social reporting to be included in loan covenants post-2014.
<ul style="list-style-type: none"> Major hazards assessment and management. 	<ul style="list-style-type: none"> Due diligence to ensure borrowers have effective major hazards assessment and management in place (e.g. ISO 14001, etc.).

* Laws in host country to comply with World Bank Standards or, if not, sponsors and suppliers to give undertakings and compliance with such standards.

Resource Finance framework

The Commodities and Resource Finance division provides capital to resource companies. This capital is sometimes applied to new project developments. The evaluation and management of environmental and social risks is based on the following approach:

- We employ qualified technical professionals to assess all material risks of proposed transactions to the resources sector, which includes the professional assessment of environmental and social risks relating to these developments
- Prior to any new transaction, and annually thereafter, Investec completes site visits as part of its due diligence process
- Internal business guidelines stipulate that resource project developments with environmental and/or social risks in excess of industry norms should be avoided as a matter of responsible business practice
- Independent experts are engaged where an internal review has identified concerns around environmental and/or social risks of a new or existing development
- Investec credit officers, as standard practice, independently scrutinise environmental and social risks associated with Commodities and Resource Finance credit exposures
- Legal documentation specifically requires clients to comply with environmental laws and standards

Corporate governance and risk (continued)

- Our target clients are generally (but not always) listed companies with stated environmental and social policies
- Monthly reporting from our clients is required to comment on environmental health and safety, environmental and community-related incidents.

Categorisations of risks are summarised as follows:

- **High risk:** projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented. These type of projects are to be specifically avoided and may have the following characteristics:
 - Large-scale projects involving the permanent impact on environmentally-sensitive areas
 - Projects that require large-scale relocation of communities
 - Any project where environmental and social impacts are material and permanently extend beyond the site boundaries
 - Projects located in jurisdictions (typically developing countries) where environmental and social laws and standards are either non-existent or not enforced
- **Medium risk:** projects with potential limited adverse social or environmental impacts that are generally site specific, largely reversible and readily addressed through mitigation measures. Resource Finance is more likely to have exposure to projects that have the following characteristics:
 - Medium-scale projects where impacts are largely limited to site and prevalent only while in operation
 - Project environmental and social impacts that can be reversed and/or acceptably mitigated through environmental remediation and community investment
 - Projects located in jurisdictions where environmental and social laws and standards are legislated and monitored
- **Low risk:** Projects that have minimal environmental and/or social impact. Resource finance transactions are unlikely to fall into this category as mining by nature will have land disturbance.

For resource projects we would expect that the project would comply with the applicable environmental, planning, labour and procurement law. Where there is a potential significant/limited adverse social or environmental impact, we will expect the projects to undergo the suitable risk and impact assessment and to comply with a mitigation plan. To this end, we follow stringent internal processes in assessing and mitigating such risk, including but not limited to the following:

- As a core strategy, we target low to medium risk projects and avoid projects that have a high risk in terms of social and environmental impacts
- Our internal due diligence not only includes technical mining aspects but also a full diligence on the environmental impacts and, if necessary, will include additional independent expert review. These internal reviews are further ratified by executive through a robust credit process
- All compliance with local legislation is covered through the loan documentation as a minimum requirement. Further, loan covenants monitor ongoing compliance and reporting of adherence to required standards
- In addition to the above, ongoing compliance and internal review is conducted by our teams by way of annual site visits to the operations.

Compliance

Over the last year, the pace of regulatory change in the financial sector has shown little signs of abating, and the pressure the industry has faced to implement various regulatory initiatives has continued to be resource intensive. Regulators, globally, have continued to endeavour to promote stability and resilience in financial markets, with the focus shifting from strategic reforms such as recovery and resolution plans and structural reform to conduct-related issues, with the focus on consumer protection and transparency within markets.

In particular, some of the changes have come from proposals, which aim to promote transparency within the over-the-counter (OTC) markets. Regulations such as European Market Infrastructure Regulation (EMIR) in the EU and the Dodd Frank Act in the US have imposed clearing and reporting requirements on both regulated and non-regulated counterparties in respect of their derivative trades as well as requiring counterparties to agree risk mitigation processes and procedures for all OTC derivative trades.

In addition to a number of international proposals aiming for an internationally accepted single global tax reporting standard and automatic information exchange, The Foreign Account Tax Compliance Act (FATCA) is also having a global impact on firms. To combat tax evasion by US tax residents using foreign accounts, FATCA requires firms outside of the US to pass information about their US customers to the US tax authorities, Internal Revenue Service (IRS). Failure to meet the new reporting obligations under FATCA would result in a 30% withholding tax on financial institutions. The UK, along with a number of other countries, has entered into an intergovernmental disclosure agreement with the US. South Africa has agreed the wording of an intergovernmental agreement with the IRS and the parliamentary ratification process is in progress. This allows South Africa to be treated as a participating country and thus avoid withholding on South African financial institutions. Investec is engaged in projects to ensure that operationally we are able to identify our US clients, and that we have processes in place to exchange relevant information with the IRS.

Financial crime continues to be a regulatory focus with regulators globally encouraging firms to increase efforts around having systems and controls to combat bribery

and corruption. In order to strengthen the anti-money laundering regime, regulators are holding discussions with the legal community on changes required to rules on identifying beneficial ownership. This, together with other proposals in relation to financial crime, will become a focus for Investec Limited as a result of embedding the fourth Money Laundering Directive.

Investec continues to strive to comply with the highest professional standards of integrity and behaviour, always keeping the interests of our customers and shareholders at the forefront of the corporate agenda. We also seek to bring high standards of compliance practice to all our jurisdictions in order to build trust and promote the quality of service to our colleagues and clients.

Investec plc – year in review

Conduct Risk

At 1 April 2013 the UK Regulator was split into two organisations focusing primarily on prudential and conduct matters. The Prudential Regulation Authority (PRA) is now responsible for prudentially supervising large banks and insurance firms, whilst the Financial Conduct Authority (FCA) supervises all firms on conduct matters, as well as being prudentially responsible for firms not supervised by the PRA.

Since the official split, the conduct regulator (FCA) has been focusing on outlining its conduct risk agenda and the expectation that firms should have a conduct risk framework in place. The FCA's objective of consumer protection is a continuing theme throughout all regulatory initiatives, such as reviews into suitability of advice and firms' conflict management arrangements, as well as the way firms incentivise front-line sales staff and protect client assets.

The FCA's aim is to ensure that clients' interests are at the forefront of firms' agendas and that their needs are placed at the heart of the firms' strategies. Firms are also expected to behave appropriately in the wholesale markets in which they operate. UK firms have been asked to respond to this agenda and Investec has enhanced existing controls and governance arrangements in order to better demonstrate how seriously we take our commitment to the needs of all our clients and markets.

Notwithstanding the heavy regulatory focus on outcomes for retail clients, the FCA has a markedly differing approach to consumer protection to its predecessor, the FSA. This has become apparent in FCA's more pronounced focus on the wholesale markets and outcomes for clients irrespective of their categorisation as either retail or professional. For example, the investigations into the Libor and FX rates fixing scandals, with which we are not involved, ensures that the FCA will continue to look at wholesale markets with the same vigour as it has done at the retail markets, for the foreseeable future.

Banking Standards and reforms to approved persons regime

Specific focus and attention is being given to improving cultural and ethical standards within the banking sector. Sir Richard Lambert has been given a mandate to create an independent body that will promote high standards of competence and behaviour across the UK banking industry. Currently consulting on the structure and objectives of this new body, the regime is certain to complement the approved persons regime and the reforms currently being proposed jointly by the PRA and the FCA on responsibilities of significant influence functions.

Structural Banking Reform

The Financial Services Act 2013 (Banking Reform Act) received Royal Assent on 18 December 2013. The Banking Reform Act will ultimately give the UK authorities the powers to implement key recommendations of the Independent Commission on Banking (ICB) on banking reform, including:

- Retail ring-fence: this involves the ring-fencing of UK retail banking activities of a universal bank into a legally distinct, operationally separate and economically independent entity within the same group
- Higher capital and loss absorbency requirements
- Introduction of retail depositor preference in the UK
- A bail-in stabilisation option for the UK Special Resolution Regime
- A new regime for key individuals in the banking sector, replacing the existing approved persons regime
- Criminal offence for reckless misconduct for senior bankers

- Competition-related reforms to the FCA and the PRA
- A new Payment Systems Regulator
- A special administration regime for systemically important interbank and securities settlement systems.

The Banking Reform Act contains a *de minimis* exemption from the requirement to ring-fence, which is relevant to all but the largest UK deposit-takers. Investec falls within this *de minimis* exemption and is therefore out of scope from the ring-fencing requirement.

Regulatory landscape in the coming year

Going forward, the Regulator has announced an intention to develop its links with the international regulators and to work in a more collegiate fashion towards ensuring regulatory standards are harmonised globally. The first of these initiatives is focused on harmonised practices within Europe and the review of the Markets in Financial Instruments Directive (MIFID), known as MIFID 2. The market abuse regime is also being reviewed with Market Abuse Regulation (MAR) due to be implemented late 2015 and early 2016. Investec plc will need to begin work on assessing the impact of these new regulations in order to ensure timely implementation.

On the domestic front, the FCA is taking over the consumer credit regime, which means that from 1 April 2014 unregulated lending will be subject to the FCA supervision. Firms, including Investec plc, will need to apply for authorisation and ensure that all regulatory requirements under the FCA regime are implemented in respect of its lending businesses going forward.

Investec Limited – year in review

There have been numerous regulatory developments in the past year, most notably the publication of the Draft Financial Sector Regulation Bill which outlines the proposed Twin Peaks model of regulation (Twin Peaks model). The first phase of the Twin Peaks will create the two new regulatory structures, the Prudential Regulation Authority and the Market Conduct Authority. This will see structural changes within the South African Reserve Bank (SARB)

and the Financial Services Board (FSB). The second phase will entail amending existing South African legislation and creating new legislation, where applicable, to give effect to the new regulatory structures. The Twin Peaks model will also allow for the Treating Customers Fairly (TCF) programme to be applicable across the financial services sector.

The Financial Markets Act (FMA), which replaces the Securities Services Act, was promulgated in 2013. The main impact of the FMA is the regulation of over-the-counter (OTC) derivatives, and the introduction of trade repositories. The regulations, which will give operational effect to the FMA, are being drafted by National Treasury.

Other significant developments include the Solvency Asset Management in the insurance industry, amendments to the Long Term Insurance Act, Basel III and further regulation of hedge funds and collective investment schemes. Investec continues to participate in the relevant industry work streams. Investec further continues to review and provide feedback to industry bodies and regulators regarding proposals for new or enhanced regulation.

Mauritius has brought amendments to the main anti-money laundering legislation, namely to the Financial Intelligence and Anti-Money Laundering Act. The details of the amendments are as follows:

- Governance, accounting and reporting requirements to the Financial Intelligence Unit
- Submission by reporting institutions of Suspicious Transactions Reports (STRs) solely to the Financial Intelligence Unit
- STRs submitted to the Financial Intelligence Unit cannot be used as evidence in Court
- Financial institutions have 15 days to file STRs and to submit information requested by the Financial Intelligence Unit.

Conduct risk (consumer protection)

Consumer protection regulation remains a key focus into 2014 with continued emphasis on aligning existing processes with the TCF Roadmap published by the FSB. Some of the key developments in 2013 are highlighted below.

As required by FAIS, the fit and proper status of representatives and key individuals of all licensed Investec financial services providers (FSPs) are monitored on an ongoing basis and the requisite reports are made to the FSB.

The Department of Trade and Industry (DTI) issued regulations at the end of February 2014 for the removal of adverse credit information, in respect of paid-up judgements, from the records of credit bureaus. The regulations also prohibit credit providers from utilising the deleted information for purposes of credit assessments/scoring. The DTI also introduced the National Credit Amendment Bill (NCAB) to Parliament at the end of 2013. The NCAB is a result of the policy review undertaken for the National Credit Regulator (NCR) by the University of Pretoria. Some of the key amendments proposed in the NCAB include the permanent removal of adverse credit information in respect of paid-up judgements, greater powers of enforcement and rule-making powers being granted to the NCR, new and enhanced regulation of debt counsellors and payment distribution agencies. The NCAB is at an advanced stage in the Parliamentary process, and the changes are expected to be effective this year.

The FSB is reviewing the definition of 'intermediary services' in the Financial Advisory and Intermediary Services Act (FAIS), and the draft Category V Code relating to professional clients (and which will impact FSPs currently subject to the merchant banking exemption).

The Protection of Personal Information Act (POPI) was enacted in November 2013. Section 1, Part A of Chapter 5 and sections 112 and 113 are in effect. The commencement of these sections allows for the establishment of an information regulator and for the drafting of regulations, which will provide further guidance in respect of implementation. Once the regulations have been drafted they will be published for comment. POPI has a material impact on all aspects of Investec's business that concern the processing of personal information in respect of Investec's clients and employees, as well as information relating to the Investec group and subsidiaries.

Information technology

Information technology

Our vision: Continuous delivery of an efficient and effective information technology platform that serves the needs of the business to deliver excellent client service.

Key infrastructure-related developments during the period include:

- By leveraging international teams and promoting a collaborative approach, we continue to see increased efficiency in a number of selected technologies
- The move towards a 'Mail in the Cloud' solution Software as a Service (SAAS) will achieve reduced on-site hardware and storage requirements
- We continue to improve datacentre efficiencies through our virtualisation strategy resulting in the clean-up and de-commissioning of a number of physical hosts across all geographies
- Telepresence is deployed in the major centres and we look to expand this footprint. This has changed our day-to-day collaboration experience and enhanced communication between offices, effectively reducing travel needs
- The UK office continues to expand its footprint of 'thin' desktops, reducing total energy consumption of the desktop environment. In South Africa, the deployment of a thin client strategy is gaining momentum
- A managed print service, similar to the solution deployed in South Africa, has been implemented in the UK region to reduce print wastage
- In South Africa, the migration of the business continuity environment to our new recovery site has realised an energy efficient, small footprint infrastructure and will be further developed in our quest to achieve a 'High Availability' business environment
- Wherever feasible, the use of cloud-based infrastructure is considered and specific workloads currently utilise cloud-based processing Platform as a Service (PAAS) to great effect resulting in reduced physical infrastructure and energy requirements
- Cloud solutions have been utilised in supplying basic office Infrastructure Services (IAAS) in both Hong Kong and

New York, with similar thinking soon to be applied in the resized Australian operation

- The deployment of a standardised Enterprise Content Management system will result in reduced paper-based storage and the ability to commoditise common functions across business units
- Implementation of a Software Asset Management (SAM) toolset will ensure better management of the international licensing landscape resulting in optimal licensing level and ultimate cost.

Key business application-related developments during the period include:

- There is a concerted effort to become a more internationally focused client-centric organisation
- Great strides have been achieved on the digital front with the launch of the Investec mobile and tablet application in South Africa, focused primarily on our retail client base. This will shortly be expanded to include the UK and Mauritius client base, delivered by a single international dedicated digital focused team. Elements of our corporate offering have been included, and we continue to look to increase our range of digital offerings to meet our corporate client needs
- The 'Single Specialist Bank' initiative continues to focus on the elimination of duplicate business processes across divisions and geographies to deliver a cost-effective, client-friendly service
- In the UK, the drive to move clients into online banking, online processing and electronic statement distribution for our Private Banking, Mortgage and Asset Finance businesses continues
- Continued consolidation and merging of technology and support teams across divisions, and in some cases geographies, is taking place in the following areas:
 - Business Intelligence
 - Enterprise Content Management
 - Payments
 - Reconciliations

- This convergence will lead to opportunities to leverage resources, skills and licensing internationally and help the achievement of our four strategic goals to:

- Align architectural principles across all businesses and geographies
- Reduce the international business applications footprint
- Commoditise common functionality wherever commercially viable
- Simplify the environment.

Other key developments during the period include:

- From a security and risk management perspective we:
 - Focus on alignment of functions across business units and geographies
 - Reuse standards, methods and practices
 - Are achieving the move away from reactive toward proactive risk management
- The IT graduate programme implemented in South Africa in 2013 continues and has been a great success. We increased our intake in 2014 and will continue to invest in the creation of IT human capital in future.

Procurement

Procurement report

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 social 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. We have recently committed to ensuring that 100% of our beverage offering has the Fairtrade label. This includes beverages available in our staff teapoints, our coffee bar and our hospitality suite. A product that carries the Fairtrade Certification Mark has met the rigorous Fairtrade standards, which focus on improving labour and living conditions for farming communities and on promoting a way of farming that does not harm either people or 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.



Appendix



Independent Assurance Statement

Independent assurance report on selected key performance indicators to the directors of Investec Limited and Investec plc

We have undertaken a limited assurance engagement on selected key performance indicators, as described below, and presented in the 2014 Sustainability Report of Investec Bank Limited and Investec plc (Investec) for the year ended 31 March 2014 (Report). This engagement was conducted by a multi-disciplinary team with experience in areas including environmental, financial, assurance and sustainability reporting.

Subject matter

We are required to provide limited assurance on the following key performance indicators (KPIs), prepared in accordance with Global Reporting Initiative's G3.1 Reporting Guidelines and the carbon footprint in accordance with the Greenhouse Gas Protocol Corporate Standard, and marked on the relevant pages in the Report.

Category	Key performance indicators
Environmental	<ul style="list-style-type: none"> • Total electrical consumption (Kilowatt hours) • Total gas consumption (Kilojoules) • Total water consumption (Kilolitres) • Total weight by paper usage (Tonnes) • Total emissions (Tonnes CO₂ eq) relating to: <ul style="list-style-type: none"> – Direct emissions (Scope 1) – gas, refrigerants, generators and firm-owned vehicles – Indirect emissions (Scope 2) – purchased electricity – Other emissions (Scope 3) – business travel (including cars, taxis, buses, rail, air and hotel) and waste • Office space per square metre (m²).
Human Resources	<ul style="list-style-type: none"> • Spend per region, per service line (Specialist Banking, Asset Management, Wealth & Investment) on employee learning and development (Pounds Sterling) • Employee headcount per region, per service line (number) • Permanent and temporary employee headcount per region (number) • Incidents of discrimination recorded (number).
Corporate Social Investment	<ul style="list-style-type: none"> • Group Corporate Social Investment (CSI) spend per region, per service line (Pounds Sterling) • UK CSI spend per focus area of spend (Entrepreneurship, Education, Philanthropic and other, Environmental) (Pounds Sterling) • South Africa CSI spend per focus area of spend, and per focus area of spend, per initiative (Pounds Sterling) • Australian CSI spend per focus area of spend (Pounds Sterling).

Directors' responsibilities

The directors are responsible for the selection, preparation, and presentation of the key performance indicators in accordance with Global Reporting Initiative's G3.1 Reporting Guidelines and the carbon footprint in accordance with the Greenhouse Gas Protocol Corporate Standard. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation, and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Non-financial data is subject to more inherent limitations than financial data,

given both the nature and the methods used for determining, calculating, sampling, or estimating such data. Qualitative interpretations of relevance, materiality, and the accuracy of data are subject to individual assumptions and judgements. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the assurance objectives set out above.

The quantification of the specified carbon emissions is subject to the inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for

Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with International Standard on Quality Control 1, Grant Thornton, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with

Independent Assurance Statement (continued)

the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and with the ISAE 3410: Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the directors of Investec in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Investec, for our work for this Report, or for the conclusion we have reached.

Basis of work performed and limitations

The procedures selected, assessed the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our report does not extend to providing assurance on any other information specifically excluded from the scope of the engagement.

The procedures were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling records.

The information relating to the prior reporting periods has not been subject to assurance procedures.

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Report.

Assurance work performed

Given the purpose of the engagement, in performing the procedures listed above, we:

- Made enquiries of those responsible for the preparation of the specified KPIs internal controls risk assessment process information systems relevant to the sustainability report process as we considered necessary
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs
- Performed walk-throughs
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate data generation and reporting processes against the reporting criteria
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the KPIs.

We believe that the evidence obtained as part of our limited assurance engagement, is sufficient and appropriate to provide a basis for our findings and our limited assurance conclusion expressed below.

Other matters

The maintenance and integrity of Investec's website is the responsibility of Investec management. Our procedures did not involve consideration of these matters, and accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on the Investec website.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the subject matter paragraph for the year to 31 March 2014 are not prepared, in all material aspects, in accordance with the Global Reporting Initiative's G3.1 Reporting Guidelines and the Greenhouse Gas Protocol Corporate Standard.



Grant Thornton Advisory Services
(Pty) Ltd

AJ Hannington
Chartered Accountant (SA)

26 June 2014

137 Daisy Street
Sandton
2196

Global Reporting Initiative (GRI) Index

Investec's 2014 integrated annual report is based on the G3.1 guidelines

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Profile		
Strategy and analysis		
1.1	Statement from the executive	Integrated annual report: Volume 1: Pages 18 to 21. Operational and strategic report. Sustainability report: Page 6. Note from the chief executive officer.
1.2	Key impacts, risks and opportunities	Integrated annual report: Volume 1: Pages 22 to 34. Financial review. Sustainability report: Pages 3 to 8. Sustainability at Investec.
Profile		
2.1	Name of the organisation	Investec
2.2	Primary brands, products, and/or services	Integrated annual report: Volume 1: Pages 11 and 12. Sustainability report: Page 1. About the Investec group.
2.3	Operational structure of the organisation	Integrated annual report: Volume 1: Page 13. Operational structure.
2.4	Location of organisation's headquarters	Integrated annual report: Volume 1: Inside front cover.
2.5	Countries of operation	Integrated annual report: Volume 1: Page 14 to 17. Operational footprint.
2.6	Nature of ownership and legal form	Integrated annual report: Volume 1: Page 13. Operational structure. Volume 1, Pages 101 to 107. Shareholder analysis.
2.7	Markets served	Integrated annual report: Volume 1: Page 14 to 17. Operational footprint.
2.8	Scale of the organisation	Integrated annual report: Volume 1: Page 14 to 17. Operational footprint.
2.9	Significant changes during the reporting period	Integrated annual report: Volume 1: Pages 4 to 10. Highlights. Pages 18 to 21. Operational and Strategic report.
2.10	Awards received in the reporting period	Integrated annual report: Volume 1: Pages 9, 61, 110, 117, 119, 120 and 121. Sustainability report: Mentioned throughout report.
Report parameters		
3.1	Reporting period	Sustainability report: After the front cover. Scope of reporting section, 1 April 2013 – 31 March 2014.
3.2	Date of most recent previous report	31 March 2012 and is the fourteenth document published by Investec on our sustainability efforts.
3.3	Reporting cycle	Annual and interim reports are produced.
3.4	Contact point for questions regarding the report contents	Integrated annual report: Volume 1, after the front cover. Corporate information. Volume 3: Pages 135 and 136. Investec offices. Sustainability report: Back cover.
3.5	Process for determining report content: – determining materiality – prioritising topics within the report – identifying stakeholders the organisation expects to use the report	Integrated annual report: Volume 1: Page 110. Corporate Responsibility. Sustainability report: Page 7. Materiality.
3.6	Boundary of the report	Sustainability report: Inside front cover. Scope and reporting framework.
3.7	Limitation on scope or boundary of report	Sustainability report: Inside front cover. Scope and reporting framework.
3.8	Reporting on other entities	Sustainability report: Relates to all operations and geographies.
3.9	Data measurement techniques	We follow the GRI 3.1 reporting standards for the Sustainability report. Financial information is reported in terms of IFRS. Our respective carbon footprints have been calculated according to the international Greenhouse Gas (GHG) protocol's Corporate Accounting and Reporting Standard (revised edition), data has been gathered to fulfil our CRC energy efficiency scheme.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Profile (continued)		
Report parameters (continued)		
3.10	Explanation of re-statements	Integrated annual report: Volume 1: Pages 117, 120 and 123. Sustainability report: Pages 17, 29, 30 and 32.
3.11	Significant changes	There have been no significant changes in the organisation's size, structure or ownership.
3.12	Table on standard disclosures	This table.
3.13	Policy and current practice on external assurance for this report	Integrated annual report: Volume 1: Page 111. Corporate responsibility. Sustainability report: Inside front cover. Verification.
Governance, commitments and engagement		
4.1	Governance structure	Integrated annual report: Volume 1: Pages 82 to 102. Corporate governance.
4.2	Indicate if the chairperson of the highest governance body is also an executive officer	Integrated annual report: Volume 1: Page 84. Statement of compliance.
4.3	Number of members of the highest governance body that are independent and/or non-executive members	Integrated annual report: Volume 1: Page 87. Board of directors.
4.4	Mechanisms for stakeholders and employees to provide recommendations or direction to the highest governance body	Integrated annual report: Volume 1: Page 108. Communication and stakeholder engagement. Sustainability report: Page 35. Communication and stakeholder engagement.
4.5	Linkage between compensation and organisation performance	Integrated annual report: Volume 1: Pages 126 to 151. Remuneration report.
4.6	Process in place for the highest governance body to ensure conflicts of interest are avoided	Integrated annual report: Volume 1: Page 85. Corporate governance report, Conflict of interest.
4.7	Process for determining qualifications and expertise of the highest governance body	Integrated annual report: Volume 1: Pages 94 to 96. Corporate governance report, DLC nominations and directors' affairs committee (NOMDAC).
4.8	Internally developed mission and values statement, codes of conduct and principles relevant to economic, environmental and social performance	Integrated annual report: Volume 1: Pages 10 to 11. About Investec group. Page 100. Corporate governance report, Values and code of conduct. Sustainability report: Page 3. About the Investec group.
4.9	Procedures of the highest governance body for overseeing identification and management of economic, environmental and social performance	Integrated annual report: Volume 1: Page 96. Corporate governance report.
4.10	Processes for evaluating the performance of the highest governance body, particularly in respect to economic, social and governance performance	Integrated annual report: Volume 1: Page 88. Corporate governance report, board and directors' performance evaluation.
4.11	Explanation of whether and how the precautionary approach is addressed	Integrated annual report: Volume 2: Pages 4 to 99. Risk management. Sustainability report: Page 36. Corporate governance and risk.
4.12	Externally developed, economic, environmental and social charters, principles or other initiatives endorsed	Sustainability report: Page 5. Recognition.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Profile (continued)		
Report parameters (continued)		
4.13	Significant memberships in associations and/or advocacy organisations	Investec participated in or joined: Dow Jones Sustainability Index, Johannesburg Stock Exchange SRI Index, FTSE4Good Index, Principles for Responsible Investment and United Nations Global Compact.
4.14	List of stakeholders engaged by the organisation	Integrated annual report: Volume 1: Page 108. Communication and stakeholder engagement. Sustainability report: Page 35. Communication and stakeholder engagement.
4.15	Basis for identification and selection of stakeholders to engage	Integrated annual report: Volume 1: Page 108. Communication and stakeholder engagement. During the year under review, we embarked on a robust process of engagement with internal and external stakeholders. Sustainability report: Page 35. Stakeholder engagement.
4.16	Approaches to stakeholder engagement, including stakeholder groups and frequency of engagement	Integrated annual report: Volume 1: Page 108. Communication and stakeholder engagement. Sustainability report: Page 35. Stakeholder engagement.
4.17	Key topics and concerns from stakeholders	Integrated annual report: Volume 1: Page 108. Communication and stakeholder engagement. Sustainability report: Page 35. Sustainability in an Investec context.
Economic		
Economic performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Integrated annual report: Volume 1: Page 9. Value added statement.
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Integrated annual report: Volume 1: Pages 18 to 19. Operating financial review. Sustainability report: Pages 27. Green business.
EC3	Coverage of the organisation's defined benefit plan obligations	Integrated annual report: Volume 1: Page 13. Gross Remuneration. Investec follows the defined contribution pension schemes. We have two small defined benefit plans which were inherited as part of legacy acquisitions and which have been closed to new contributions.
EC4	Significant financial assistance received from government	None.
Market presence		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Standard entry level wage exceeds the local minimum wage in all geographies. These ratios are not publicly reported.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Integrated annual report: Volume 1: Pages 125. Corporate responsibility. Sustainability report: Page 43. Information technology and procurement section: Procurement.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Integrated annual report: Volume 1: Pages 81 to 100. Corporate governance report. Sustainability report: Pages 13 to 16. Supporting our employees.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Economic (continued)		
Indirect Economic Impacts (continued)		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or <i>pro bono</i> engagement	Integrated annual report: Volume 1: Page 9. Highlights: Pages 110 to 115. Sustainability report: Profit, People and Planet sections. Investec focuses on education initiatives that support local communities and the environments in which they operate. Refer to website: http://www.investec.co.za/products-and-services/financing-and-lending/power-infrastructure-and-telecoms.html
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Integrated annual report: Volume 1: Pages 109 to 125. Corporate responsibility report. Sustainability report: Profit, People and Planet sections. £11.8 million was spent on training, £5.1 million on corporate social investment spend and Investec employed 107 more people in 2014.
Environment		
Materials		
EN1	Materials used by weight or volume	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN2	Percentage of materials used that are recycled input materials	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
Energy		
EN3	Direct energy consumption by primary energy source	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN4	Indirect energy consumption by primary source	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN5	Energy saved due to conservation and efficiency improvements	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
Water		
EN8	Total water withdrawal by source	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN9	Water sources significantly affected by withdrawal of water	Not applicable to Investec.
EN10	Percentage and total volume of water recycled and reused	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts for details on initiatives to reduce water usage. Investec does not recycle water.
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not material for Investec which operates within urban locations where biodiversity impacts are minimal.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	This is not applicable to Investec as a financial services provider.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Environment (continued)		
Biodiversity (continued)		
EN13	Habitats protected or restored	Sustainability report: Page 28. Planet section: Giving back to the environment.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Sustainability report: Page 28. Planet section: Giving back to the environment. There are no material impacts on biodiversity, therefore this is not relevant.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	There are no material impacts on biodiversity, therefore this is not relevant.
Emissions, effluents and waste		
EN16	Total direct and indirect greenhouse gas emissions by weight	Integrated annual report: Volume 1: Page 120. Carbon footprint for the group. Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN17	Other relevant indirect greenhouse gas emissions by weight	Integrated annual report: Volume 1: Page 120. Carbon footprint for the group. Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN19	Emissions of ozone-depleting substances by weight	Not relevant.
EN20	NOx, SOx, and other significant air emissions by type and weight	Not relevant.
EN21	Total water discharge by quality and destination	Not relevant.
EN22	Total weight of waste by type and disposal method	Sustainability report: Pages 29 to 33. Planet section: Direct operational impacts.
EN23	Total number and volume of significant spills	Not relevant.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Not relevant.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	Not relevant.
Aspect: products and services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Sustainability report: Pages 36 to 39. Corporate governance and risk.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not relevant.
Compliance		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No significant fines were incurred during the period.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Environment (continued)		
Transport		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	Not relevant.
Overall		
EN30	Total environmental protection expenditures and investments by type	Sustainability report: Pages 27 to 33. Planet section: Green business, Giving back to the environment and Direct operational impacts.
Labour		
Employment		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Integrated annual report: Volume 1: Page 113. Number of employees is shown by division and by geography. Permanent, temporary and contractors are split.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Integrated annual report: Volume 1: Page 113.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Integrated annual report: Volume 1: Pages 130 to 137. Remuneration report. Benefits are broken down by gross remuneration, variable short-term incentives by division and variable long-term incentive plans.
Labour/management relations		
LA4	Percentage of employees covered by collective bargaining agreements	Integrated annual report: Volume 1: Page 114. Freedom of association paragraph.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Not applicable as there is no representative trade union for Investec and all operational changes will be in accordance to the Labour Relations Act.
Occupational health and safety		
LA6	Percentage of total workforce represented in formal joint management/worker health and safety committees that help monitor and advise on occupational health and safety programmes	Health and safety policy: Members of the senior executive are responsible for ensuring that subordinate heads of business units are held accountable for their performance in managing the occupational health and safety in areas under their control. Integrated annual report: Volume 1: Page 114. Health and safety paragraph. Sustainability report: Page 16. Health and safety paragraph.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	As a bank work-related diseases and fatalities are not a common occurrence and therefore we do not report on this.
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	Integrated annual report: Volume 1: Page 114. Health and safety paragraph. Sustainability report: Page 16. Health and safety paragraph.
LA9	Health and safety topics covered in formal agreements with trade unions	There is no representative trade union for Investec; LA9 is therefore not applicable.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Labour (continued)		
Training and education		
LA10	Average hours of training per year per employee by gender, and by employee category	We do not show average hours of training per year per employee and by employee category. Integrated annual report: Volume 1: Page 114. Group training spend split by geography and division. Sustainability report: Page 15. Group learning and development spend split by geography, division and gender.
LA11	Programmes for skills management and life-long learning that support the continued employability of employees and assist them in managing career endings	Integrated annual report: Volume 1: Page 113. Employee strategy section. Sustainability report: Page 15. Employee strategy section.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	100% – this is part of the remuneration and performance evaluation procedure for annual increases and bonuses.
Diversity and equal opportunity		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Integrated annual report: Volume 1: Page 115. Corporate responsibility.
Equal remuneration for women and men		
LA14	Ratio of basic salary of men to women by employee category	We do not disclose this information. Investec is committed to principles of equality and has relevant employment policies and practices in place.
LA15	Return to work and retention rates after parental leave, by gender	Investec is committed to principles of equality and has relevant employment policies and practices in place. However, it is not UK practice to publish the particular information specified and there is no UK or EU legal requirement to do so. This information is available for our South African offices and can be disclosed if requested, but in the interests of producing a global consolidated report this information is not included in our annual reports.
Human rights		
Investment and procurement practices		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	Not relevant.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	Sustainability report: Page 43. Investec's procurement policy applies to all business partners.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Sustainability report: Pages 15 to 16. Working at Investec. Every employee undergoes group induction training, which includes training on employee rights within Investec. Total hours of employee training is not recorded.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Human rights (continued)		
Non-discrimination		
HR4	Total number of incidents of discrimination and corrective actions taken	To the best of our knowledge, there has been no recorded incidents of discrimination in any of our businesses.
Freedom of association and collective bargaining		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Sustainability report: Investec is not aware of any operations or suppliers in which the right to exercise freedom of association and collective bargaining may have been violated.
Child labour		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Sustainability report: Pages 15 to 16. Working at Investec. Given the nature of our industry and type of work involved. Investec group does not have any operations with risk of child labour.
Forced and compulsory labour		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Sustainability report: Pages 15 to 16. Working at Investec. Investec group does not have any operations with risk of forced labour.
Security practices		
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	Security personnel are trained on risk and interpersonal and communication skills as well as how to approach a situation when an incident takes place. Specific human rights training does not take place.
Indigenous rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	No incidents relating to the violation of indigenous rights occurred during the reporting year.
Assessment		
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	None to our knowledge.
Remediation		
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	None to our knowledge.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Society		
Community		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Integrated annual report: Volume 1: Pages 116 to 119. Corporate responsibility report, Corporate social investment. Sustainability report: Pages 17 to 24. Supporting our communities. 100% of our operations do community engagement.
SO9	Operations with significant potential or actual negative impacts on local communities	Not relevant. As a financial services company with a limited physical presence our operations have a very limited direct impact on local communities. However, we may indirectly have an impact through the example of our property developments or project finance type transactions. In these instances all required community impact assessments are done and community engagements are performed.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Not relevant. As a financial services company with a limited physical presence our operations have a very limited impact on local communities.
Corruption		
SO2	Percentage and total number of business units analysed for risks related to corruption	Integrated annual report: Volume 2: Pages 101 to 102. Compliance. Group operational risk and compliance operates a group-wide process across 100% of our business units which includes assessment and reporting on the potential for incidents of corruption. Sustainability report: Pages 40 to 41. Compliance.
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	Integrated annual report: Volume 2: Pages 101 to 102. Compliance. 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. Sustainability report: Pages 40 to 41. Compliance.
SO4	Actions taken in response to incidents of corruption	Integrated annual report: Volume 2: Pages 101 to 102. Compliance. Investec has an 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. Sustainability report: Pages 40 to 41. Compliance.
Public policy		
SO5	Public policy positions and participation in public policy development and lobbying	Investec works closely with the government, regulators and other banking sectors in each jurisdiction to ensure we are kept current and participate in policy change/updates. For example in South Africa we participate through various industry bodies including BASA (Banking) and ASSISA (Asset Management). In the UK we engaged with HMT officials and MPs from the Treasury Select Committee in the UK with regard to the banking reform agenda. In Australia we participate in Australian Financial Markets Association and Australian Bankers' Association forums.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Integrated annual report: Volume 3. Page 8. Directors' report.
Anti-competitive behaviour		
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No legal actions have been made against Investec for anti-competitive behaviour.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Society (continued)		
Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Integrated annual report: Volume 2: Pages 101 to 102. Compliance. No significant fines. Sustainability report: Pages 40 to 41. Compliance.
Product		
Customer health and safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Not relevant given the services-based nature of Investec's offerings.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	Not relevant given the services-based nature of Investec's offerings.
Product and service labelling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Integrated annual report: Volume 2: Pages 101 to 102. Compliance. Sustainability report: Pages 40 to 41. Compliance.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Integrated annual report: Volume 2: Pages 101 to 102. Compliance. Sustainability report: Pages 40 to 41. Compliance.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Investec was rated South Africa's leading private bank in the Euromoney awards. Investec Private Banking recently received the highest domestic approval rate for a credit card provider at the annual Visa Service Quality Performance Awards. We were ranked first in Wealth Management by PWC.
Marketing communications		
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Business marketing, advertising and public relations are in compliance with relevant consumer protection laws. This is achieved through content management and required disclosures as required by the various consumer acts. (See compliance report in integrated annual report: Volume 2.) Pages 101 to 102. This is also monitored through compliance conducted at both the group and divisional levels.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	There were no incidents of non-compliance with regulations or voluntary codes concerning marketing communications.
Customer privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaints were received from regulatory bodies concerning breaches of customer privacy.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Product (continued)		
Compliance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There has been no incidents of non-compliance with laws and regulations concerning the provision and use of products and services.
Financial services sector		
Specific disclosure on management approach		
FS1	Policies with specific environmental and social components applied to business lines	Sustainability report: Profit, People and Planet sections. Refer to our environmental policy on http://www.investec.co.za/about-investec/sustainability/planet.html
FS2	Procedures for assessing and screening environmental and social risks in business lines	Integrated annual report: Volume 2: Page 13. Risk management. Sustainability report: Pages 36 to 39. Corporate governance and risk.
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements and transactions	Integrated annual report: Volume 2: Page 13. Risk management. Sustainability report: Pages 36 to 39. Corporate governance and risk.
FS4	Process(es) for improving employee competency to implement the environmental and social policies and procedures as applied to business lines	In South Africa, the local banking industry has developed training material to train staff on environmental and social risks relating to the different business areas. Staff are encouraged to attend any training or development that is relevant for their area of business.
FS5	Interactions with clients/investees/business partners, regarding environmental and social risks and opportunities	Interactions with clients, investees or other business partners or interested parties takes place across the organisation depending on the type of business and type of deal. For example, Property group would engage with their client and local community when doing a property development.
Sector-specific performance indicators		
FS6	Percentage of the portfolio for business lines by specific region, size and by sector	Integrated annual report: Volume 1: Pages 14 to 17. Our operational footprint.
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Not calculated.
FS8	Monetary value of products and services designed to deliver specific environmental benefit for each business line broken down by purpose	Not calculated.
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	Internal audit would monitor this in the ordinary course of business.
FS10	Client interactions on environmental or social issues	Sustainability report: Page 7. Materiality. During the year under review, we embarked on a robust process of engagement with our internal and external stakeholders in order to identify key environmental, social and governance issues. Clients were key to this process.
FS11	Percentage of assets subject to positive and negative environmental or social screening	Not calculated.

Global Reporting Initiative (GRI) Index (continued)

Principle number	Profile disclosure	Reference in Investec sustainability and/or integrated annual report
Financial services sector (continued)		
Sector-specific performance indicators (continued)		
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting	Sustainability report: Page 26. Planet, Indirect impact. Investec Asset Management webpage on stewardship http://www.investecassetmanagement.com/south-africa/category/2576 . Product responsibility society performance indicators.
FS13	Access points in low-populated or economically disadvantaged areas by type	Investec is not a retail bank and does not bank to the mass market. Our target market is very niched: High income, high net worth, corporate, government and institutions. This indicator is therefore not relevant.
FS14	Initiatives to improve access to financial services for disadvantaged people	Investec is not a retail bank and does not bank to the mass market. Our target market is very niched: High income, high net worth, corporate, government and Institutions. This indicator is therefore not relevant.
Disclosure on management approach		
FS15	Policies for the fair design and sale of financial products and services	All products and policies undergo significant reviews and authorisation by the Liability Product and Pricing forum which incorporates ethical requirements.
Product responsibility performance indicators		
FS16	Initiatives to enhance financial literacy by type of beneficiary	Sustainability report: Pages 17 to 24. Supporting our communities.

Policies and programmes

Below is a list of some of our HR policies and programmes.

People

- Basic conditions of employment
- Equal opportunities
- Employee assistance programme
- Employee integrity
- Employee handbook
- Learning and development
- Training and competence
- Confidentiality
- FAIS – rendering financial advisory and intermediary services to clients
- Flexible work practice
- Grievance resolution
- Disciplinary
- Pension plan
- Disability procedure
- HIV and AIDS
- Occupational health and safety
- Leave, maternity and adoption scheme
- Recruitment
- Retirement, retrenchment and termination of employment
- Bullying and harassment
- Substance abuse
- Whistle-blowing and protected disclosures
- Computer usage; internet and email usage
- Social media
- Data protection
- Business continuity management

Learning and development programmes

The Investec journey: To expose new employees to the Investec culture and values and provide employees with various insights into the banking environment

Personal/interpersonal skills: These programmes focus on ‘soft’ skills, meeting individual employee requirements to become more effective in a role

Technical/professional skills: These programmes cover ‘hard’ skill requirements identified by business units as core to everyday functioning

Leadership: Investec’s leadership development journey has been restructured and re-aligned, so that all Investec participants irrespective of geography or home base will now share a common leadership experience

Coaching: Coaching is a confidential and deliberate process of focused conversations aimed at creating a space for a person to better understand their reality, expose all possible options and determine an effective action plan, thereby maximising their potential in the work environment

Zebra crossing: The Zebra crossing is a multi-dimensional educational framework that aims to raise levels of multicultural awareness in the staff of Investec.

Planet

Environmental policies

Investec recognises that effective environmental management is an essential part of embedding this philosophy into the

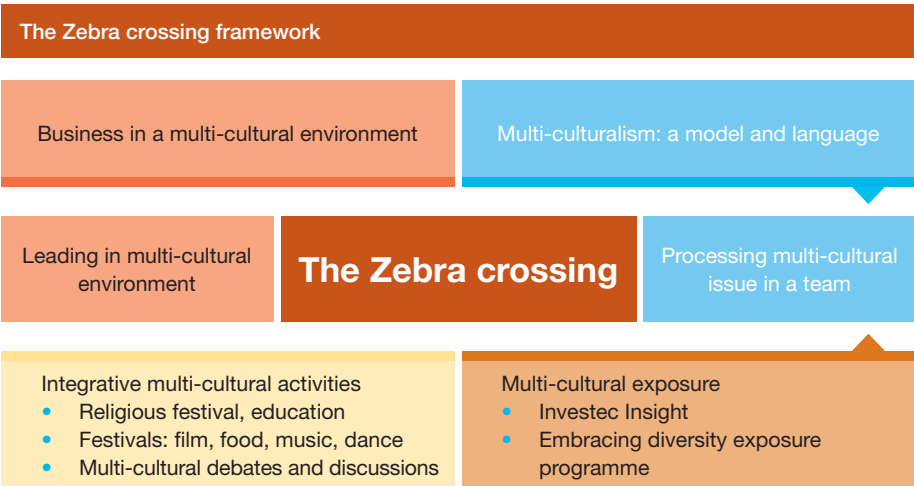
organisation and is therefore committed to operating an effective environmental management system compliant with King III in South Africa and ISO 14001:2004 in the UK head office.

The management system is initially focused on the activities and operations of supporting functions which have a direct environmental impact.

The South African policy currently applies to the facilities function of the South African businesses with a view to encompassing all business divisions in due course.

The UK policy currently applies to the facilities function of the Gresham Street office with a view to encompassing all business divisions in due course.

Should you require further details on the policies, you can contact us at sustainability@investec.co.za



Notes

Appendix

06

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