

Investec Limited

100 Grayston Drive Sandown Sandton 2196
PO Box 785700 Sandton 2146 South Africa
T +27 (0)11 286 7000 F +27 (0) 11 286 7777
www.investec.com

16 October 2016

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

Dear Mr. Secretary-General,

The Investec group remains committed to the 10 principles of the United Nations (UN) Global Compact with respect to human rights, labour, environment and anti-corruption. Our culture and values demonstrate our belief that as an organisation we can have a positive impact on the success and well-being of local communities, the environment and on overall macro-economic stability. We support and respect the protection of internationally proclaimed human rights standards and are not complicit in any human rights abuses. This communication serves as confirmation of our intent to advance those principles within our sphere of influence by entrenching the principles into our strategy, culture and day-to-day operations. Furthermore, we adhere to the relevant laws in all our jurisdictions and strive to advance the UN principles within our sphere of influence.

We support the international agenda to abolish human trafficking, slavery, forced and child labour and welcome the recently legislated UK Modern Slavery Act. 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 practice forced or compulsory labour and do not employ children. We have started a process to integrate the provisions of the Act into our business and supply chain policies and practices in the UK, and will report in line with the guidelines published by the UK government. Investec continues to follow the recommendations and guidelines of the Global Reporting Initiative (GRI) for our reporting purposes. Our sustainability efforts were recognised in the past year through an improved ranking in the Dow Jones Sustainability Index and we have also maintained our inclusion the Johannesburg Stock Exchange SRI and FTSE4Good indices. In South Africa, we are active participants in the Banking Association of South Africa's (BASA) Sustainable Finance Forum. Through our membership of business associations such as BASA, Business Unity South Africa and the National Business Initiative, we engage with government and industry on issues of national environmental law, policy and strategy.

This Communication of Progress provides an abridged view of some of the practical actions we have taken to implement the Global Compact principles and our measurement of the outcomes in each of the four areas (human rights, labour, environment, anti-corruption). We therefore request that you read this report in conjunction with our 2016 Sustainability Report.

Kind Regards,


Mr Stephen Koseff
CEO Investec Group

Human Rights

Commitment

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

Human rights

The Investec group remains committed to the 10 principles of the United Nations (UN) Global Compact with respect to human rights, labour, environment and anti-corruption. Our culture and values demonstrate our belief that as an organisation we can have a positive impact on the success and well-being of local communities, the environment and on overall macro-economic stability. We support and respect the protection of internationally proclaimed human rights standards and are not complicit in any human rights abuses. We do not have a formal human rights policy for the group because this would fall within the ambit of our Code of Conduct which expresses our strong culture and values including unselfishly contributing to society, valuing diversity and respecting others.

Furthermore, we adhere to the relevant laws in all our jurisdictions and strive to advance the UN principles within our sphere of influence. We support the international agenda to abolish human trafficking, slavery, forced and child labour and welcome the recently legislated UK Modern Slavery Act. 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 practice forced or compulsory labour and do not employ children. We have started a process to integrate the provisions of the Act into our business and supply chain policies and practices in the UK, and will report in line with the guidelines published by the UK government.

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 or regional equivalents). 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, e.g. Organisational development (OD), Human Resources (HR), Employee Relations and our independent external consultants.

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

Social risk management

Sustainability risk considerations are considered by the credit committee and investment committee when making lending or investment decisions.

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 harmful social behaviour 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 exploitative or child labour
- Production or trade in any product or activity deemed illegal under the country of operation's laws and regulations
- Production and trade in weapons and munitions
- Production of harmful or addictive substances in a socially irresponsible manner.

Additionally, we apply the following provisions:

We fully support the following key provisions of Equator Principals (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
- 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.

Procurement Policies

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

UK and Other

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 doesn't harm either people or the environment.

Southern Africa

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. Our banqueting team uses Rainforest Alliance Certification. Products bearing the seal originate from or contain ingredients sourced from Rainforest Alliance Certified farms or forests. These farms and forests are managed according to rigorous environmental, social and economic criteria designed to conserve wildlife; safeguard soils and waterways; protect workers, their families and local communities; and increase livelihoods in order to achieve long-term sustainability.

We have engaged with our top suppliers who accounts for approximately 80% of our procurement spend. We did this by way of a questionnaire on social and environmental issues; 72% of the respondents have social and environmental policies and/or awareness campaigns in place. From the responses we can confirm that there were no obvious negative potential environmental, labour, human rights or social impacts.

Whistle-blowing 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.

The Protected Disclosures Act 26 of 2000, which came into operation on 16 February 2001, governs the procedures in terms of which employees may disclose information regarding unlawful or irregular conduct by the company or its employees. These procedures provide for the protection of any employee who, in good faith, makes a disclosure which is protected in terms of the act. The act states that:

- Every employer and employee has a responsibility to disclose criminal and any other irregular conduct in the workplace
- Every employer has a responsibility to take all necessary steps to ensure that employees who disclose such information are protected from reprisals as a result of such disclosure

The primary objectives of the act are:

- To create an environment that will facilitate the disclosure of information relating to criminal and other irregular conduct in the workplace, in a responsible manner
- To eradicate criminal and other irregular conduct and activities in the workplace
- To protect an employee from being subjected to unfair discrimination on account of having made a protected disclosure
- To provide certain remedies in connection with any unfair discrimination on account of having made a protected disclosure
- To provide for procedures in terms of which an employee can, in good faith and in a responsible manner, disclose information regarding improprieties

There are two avenues open to employees to make disclosures:

1. Internal escalation process:
 - a. His/her direct line manager
 - b. Group compliance officer
 - c. Group Financial Crime Risk Management
 - d. Employee relations (within Human Resources)

If necessary the matter will be referred to Group Financial Crime Risk Management (GFCRM) for evaluation and investigation and reported upon. Full documented evidence of the reporting process and the investigation will then be retained by Group Forensic Risk Management (and Employee Relations where appropriate).

2. Alternatively, employees may contact the Investec Integrity Line. This is an external, independently managed helpline available only to Investec employees to ensure confidentiality of the issue(s) reported and the anonymity of the individual.

- a) How the Report is investigated

GFCRM receives the reports from the service provider and determines the course of action to be taken. A course of action may involve an internal investigation or an investigation assisted by external advisors. GFCRM may also deem it appropriate or necessary to disclose the concerns to law enforcement, regulators or legal authorities.

- b) How findings are reported

GFCRM present a confidential report of findings within a prescribed period after receipt of the report to the management distribution group as necessary, i.e. Board Risk Capital Committee; Group Compliance; Employee Relations; Audit Committee. Grievances typically relate to the following:

- A criminal offence has been committed, is being committed or is likely to be committed.
- A person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject.
- A miscarriage of justice has occurred, is occurring or is likely to occur.

The report by GFCRM will contain initial findings and if required, a recommendation for a further course of action. Course of action may include remedial action (disciplinary action, criminal and/or civil action) and/or an assessment of any internal control failures and mitigation thereof where necessary. GFCRM will also prepare and or facilitate the preparation of the



relevant regulatory reports such as those required in terms of the Prevention of Corruption and Corrupt Activities Act, 2004 ("PRECCA").

At the discretion of the management group, GFCRM may notify the employee of the outcome of the investigation should the employee request same.

Protection of Employees

Investec does not tolerate harassment or victimisation of employees who raise genuine concerns under this policy. If an employee is victimised in any way he or she should inform GFCRM or Employee Relations so that appropriate action may be taken. Furthermore, whilst Investec encourages employees to bring forward concerns, we note that it is a serious matter to raise concerns which the employee knows to be false or for malicious reasons. Such action may result in disciplinary action, including dismissal under Investec's disciplinary procedures.

Similar protection and access to report any suspicious conduct is provided to external parties via a dedicated mailbox or by simply calling any of our contact numbers. Through, consistent and targeted awareness and training initiatives, client-facing staff are able to direct external parties appropriately either to GFCRM or Group Compliance. Similarly, any such disclosure reports are assessed, investigated and the appropriate course of action taken.

Labour

Commitment

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

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

Promoting equity and diversity in the workplace

Diversity is essential for any organisation's ability to innovate and adopt in a fast changing world and is critical to Investec's growth and prosperity. 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.

Over 2 750 employees have participated in this programme since its inception in 2009.

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.

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.

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 or regional equivalents). 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, e.g. Organisational Development (OD), Human Resources (HR), Employee Relations and our independent external consultants.

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

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 Gunnell – head of facilities SA
- Tony Grimes – head of facilities UK.

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

Investec values the physical and psychological health, welfare and safety of our people. To enable and develop employee health and well-being, 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 personalized wellness interventions offered in face-to face counselling and coaching sessions.

The wellness interventions are provided by a multi-disciplinary team of select health professionals who are all specialists in their fields of practice. We 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. In line with our commitment to improving the quality of life of our employees, our leave entitlement and disability procedure have been reviewed and accordingly adjusted, taking into consideration the needs and well-being of our employees and current best practice in the marketplace.

Environment

Commitment

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

Our environmental policy

As a niched specialist financial services organisation with a small physical presence, the direct environmental and social impacts of Investec's daily operations are limited. In recognising that we have a responsibility to understand and manage our wider environmental and social footprint our environmental policy states:

- We will consider any meaningful activity that either reduces the negative impact or prolongs life of our planet
- We believe that as a financial services organisation, 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.

Environmental footprint and 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. Our Environmental 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 continued to improve the thoroughness of our data collection processes and as a result increased our coverage of scope 3 emissions. We continued to drive awareness about 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 encourage positive and sustainable behaviour change amongst our staff through education and engagement. Key focus areas to reduce Investec's carbon footprint include:

- Reducing energy consumption
- Increasing waste recycling rates
- Encouraging reduction of water usage
- Promoting sustainable travel
- Promoting sustainable procurement.

Our carbon footprint has been calculated according to the International Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard. Our emissions per average employee were 8.20 tonnes CO₂e for the year ended 31 March 2016.

Green investments

In our role as a global asset manager, our primary goal is to deliver on our clients' mandates. The essential purpose of our work is to preserve and grow the real purchasing power of the assets entrusted to us by our clients over the long term. In fulfilling this purpose we will assume a stewardship role over the assets, including the effective exercising of their ownership rights. We monitor, evaluate and, if necessary, actively engage or withdraw capital to preserve or add value to our clients' portfolios.

We recognise that it is necessary for material issues of an environmental, social and governance (ESG) nature to form part of fundamental investment analysis. To this end, we have established a stewardship policy. We are also a signatory of the United Nations-supported Principles for Responsible Investment (UNPRI), the UK Stewardship Code and Code for Responsible Investing in South Africa (CRISA). We are investor 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.

While all teams follow the fundamental principles of our stewardship policy, the manner in which Investec Asset Management plays an active ownership role will be determined by an assessment of the costs and benefits to our clients as well as the particular nature of the investment strategy. Any strategy of intervention will be subject to portfolio decisions on whether to remain invested in the company, with the protection and enhancement of the value of client portfolios being the central objective.

One of our goals is to further encourage in-house ESG research and stock reviews. Currently, we source company ESG analysis from a number of sources, including external service providers. To further advance ESG integration in the investment process, we have developed a stock review framework that takes risk and opportunity factors into account. We believe the focus should be on material risks and opportunities inherent to the sectors in which companies operate.

Identifying the material sustainability factors guides our analysts in developing an ESG view of a company. The framework and tools assist in putting companies' ESG risks and opportunities into perspective for the investment team.

Renewable energy financing and investing

Investec Power and Infrastructure business was ranked as third in the Renewable Space as Mandated Lead Arranger (MLA) by IJ Global and fifth as lead arrangers by Bloomberg. Additionally, we provided finance to two clients which helped them win awards at IJ Global as best merchant deal of the year and best sponsor of the year, respectively for 2015. The rankings and awards



to our clients are recognition of excellence, achievement and innovation in energy and infrastructure finance. Investec continues to provide market-leading transactions in various sectors, to achieve successful outcomes for all clients. IJ Global and Bloomberg New Energy Finance (BNEF) Clean Energy & Energy Smart Technology League Tables are the most transparent and comprehensive benchmarks for identifying active clean energy investors, project financiers, investment banks and law firms.

Investec has arranged funding for the renewable energy sector of £884 million current financial period.

Aurora – West Coast 1

As a specialist bank, with a relatively small carbon footprint, we actively seek opportunities to contribute to the sustainability of our environment, our community and our economy. An example of this is through the funding of renewable energy projects like Aurora – West Coast 1, which started commercial operations in June 2015.

This project is an example of how our sustainability approach and strategy integrates with our three material aspects of People (job creation and social upliftment), Planet (production of clean energy) and Profit (providing sustainable revenue streams). The West Coast 1 project is part of the Renewable Energy Independent Power Producer Procurement (REIPPP) programme through which South Africa intends to procure 3 625MW of renewable energy by the end of 2016 to help curb its reliance on coal for electricity. The project was initiated seven years ago and will provide an environmentally sustainable form of energy generation and help reduce the current electricity constraints in South Africa. The construction of West Coast 1 created more than 600 jobs, 450 of which were for surrounding communities. The operation of the wind farm will create permanent jobs for these communities over the next 20 years.

Biodiversity

Given Investec's African heritage, we are passionate about ensuring the continued existence of a number of African species. We therefore fund two key biodiversity projects which are focused around rhinos and the impact of renewable energy on local birdlife. These initiatives help Investec ensure the sustainable existence of South African wildlife.

Environmental education

Investec believes that one way for us to have a truly meaningful and lasting impact on the environment is through increasing people's knowledge and awareness about the environment and associated challenges. Investec holds a number of initiatives and internal talks aimed at educating staff about the environment and changing behaviour in their day-to-day lives in order to help sustain their local surroundings. We also have a children's conservation education programme which teaches Grade 5 pupils the value of caring for animals and the environment. This programme is called 'coaching for conservation' and has been running since 2013.

Procurement policies

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

In South Africa, environmentally responsible partners are key to the procurement process and we focus on sustainability criteria when contracting with potential and existing vendors. We always consider the Energy Star endorsement before purchasing equipment.

Environmental risk management

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.



The following will be taken into consideration before transaction approval:

- Environmental risk is assessed before the deal is approved and at any new relevant 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.



Anti-Corruption

Commitment

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

At Investec, we demand cast iron integrity in all internal and external dealings, consistently and uncompromisingly displaying our moral strength and behaviour which promotes trust. Investec is committed to high standards of integrity and ethical behaviour through our core values.

We have a strong organisational culture of entrenched values, which form 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.

Investec subscribes to the reporting obligations of Section 34 (1) of the Prevention and Combating of Corrupt Activities. The obligation requires Investec to report to the dedicated law enforcement office any instances of theft, fraud, extortion, forgery and uttering of a forged document to the value of R100,000-00 or more.

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.

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

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

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

Annual financial crime awareness training is conducted for all SA staff. Investec also runs a fraud week programme in support of the International Fraud awareness Week established the Association of Certified Fraud Examiners (ACFE). The campaign encourages business leaders and employees to proactively take steps to minimize the impact of fraud by promoting anti-fraud awareness and education. Specific ad hoc awareness training is conducted across all Investec business units on an ongoing basis using different training platforms.

Anti-money laundering and combating terrorist financing

Investec is registered as an Accountable Institution with the Financial Intelligence Centre and therefore supports the objectives of global efforts to combat money laundering and terrorist financing through the Investec Anti-Money Laundering and Combating of Terrorist Financing Policy. Actions or activities that conflict with local regulatory requirements, or with this policy, can have serious implications including fines and/or imprisonment imposed by the relevant authorities and/or disciplinary action imposed by Investec.

Reporting on breaches

Material incidents and losses and significant breaches of systems and controls are reported to the board risk and capital committee and the audit committees. Investec is subject to external regulation and supervision by various supervisory authorities in each of the jurisdictions in which we operate, the main ones being the UK Financial Services Authority (FSA) and the Banking Supervision Department (BSD) of the South African Reserve Bank (SARB). Some of our businesses are subject to supervision by the South African Financial Services Board, South African National Credit Regulator and the South African Financial Intelligence Centre.



The SARB is the lead supervisor of the combined Investec group, comprising Investec plc and Investec Limited. SARB is the supervisor of Investec Limited, while the FSA is the supervisor of Investec plc. We strive to establish and maintain open and active dialogue with regulators and supervisors. Processes are in place to respond proactively and pragmatically to emerging issues and we report regularly to regulators and supervisory bodies. Where appropriate, we participate in industry committees and discussion groups to maintain and enhance the regulatory environment in which we operate.

PLEASE REFER TO INVESTEC'S 2016 SUSTAINABILITY REPORT FOR FULL DETAIL.

<https://www.investec.co.za/content/dam/investec/investec-international/documents/Investor%20Relations/2016/annual-report/Sustainability%202016%20web.pdf>



