

2016

SUSTAINABILITY
REPORT



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 2015 to 31 March 2016. We incorporate material information from the main geographies in which we operate.

This report is intended to serve the information needs of the stakeholder groups most affected by our business – customers, employees, investors, sustainability rating agencies, and analysts who will use the content for an analysis of our sustainability performance. This report also focuses on the most material aspects of our business in relation to our strategy.

Our approach to reporting has followed guidance from the King Code of Governance Principles for South Africa (King III) and in accordance with the Global Reporting Initiative's (GRI) G4 core sustainability reporting guidelines. An index of the G4 indicators, together with our response to each of them, can be found on pages 58 to 70 of this report.

USING THIS REPORT

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



PAGE REFERENCES

Refers readers to information elsewhere in the report or to Investec's 2016 integrated annual report



AUDITED INFORMATION

Denotes information that has been externally verified



WEBSITE

Indicates that additional information is available on our website: www.investec.com

OVERSIGHT

The social and ethics committee is responsible for monitoring the non-profit elements of sustainability. 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, on preserving the well-being and dignity of our employees (including human rights), and on promoting meaningful activity that either reduces the negative impact on or prolongs life of our planet. The social and ethics committee consists of the following board members:

S Koseff – chief executive officer
B Kantor – managing director
F Titi – chairman
CA Carolus – non-executive director
Lord Malloch-Brown KCMP – non-executive director
PRS Thomas – non-executive director

Three meetings were held during the reporting period.

We also have sustainability representatives in each of the major geographies in which we operate who drive our sustainability objectives as well as various forums discussing sustainability considerations. Feedback on relevant sustainability issues is provided to board members at each board meeting.

ASSURANCE

Investec Internal Audit performed a limited assurance review of the quantitative and qualitative information contained in this report. Grant Thornton has provided limited assurance over selected environmental, human resources and corporate social spend key performance indicators. The assurance statement can be found on pages 56 and 57 of this report.

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 structure (DLC) 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.

WHAT we do

We are an international specialist bank and asset manager that provides a diverse range of financial products and services to a niche client base in three principal markets, the UK and Europe, South Africa and Asia/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.

Our STRATEGY

Our strategy for more than 20 years has been to build a diversified portfolio of businesses and geographies to support clients through varying markets and economic cycles.

Our current strategic focus on:

- Asset Management
 - Maintain a balance between emerging markets and developed world income
 - Continue to invest in the business and add capacity to improve competitiveness in the future.
- Wealth & Investment
 - Build and leverage the private office offering
 - Strong collaboration with the private banking business
 - Digitisation of the offering.
- Specialist Banking
 - Continue to build the private client and corporate and institutional client franchise businesses
 - Leverage the integration with the Wealth & Investment business.

We have a very deliberate client strategy:

- To leverage our unique client profile
- To provide the best integration solution supported by our comprehensive digital offering.

WE value

- Distinctive performance
 - Outstanding talent – empowered, enabled and inspired
 - Meritocracy
 - Passion, energy, stamina and 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.

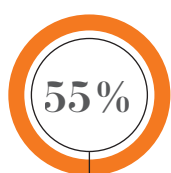
Our PHILOSOPHIES

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

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.

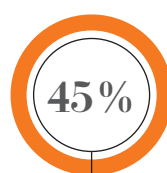
CAPITAL LIGHT ACTIVITIES



Contributed to group income

- Asset management
- Wealth management
- Advisory services
- Transactional banking services
- Property and other

CAPITAL INTENSIVE ACTIVITIES



Contributed to group income

- Lending portfolios
- Investment portfolios
- Trading income
 - client flows
 - balance sheet management

Fee and commission income



Types of income



Net interest, investment and trading income

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One

Sustainability at Investec



SUSTAINABILITY 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 on or prolongs the life of our planet.

Investec as a responsible corporate citizen

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 promotes trust. Our core values include unselfishly contributing to society, valuing diversity and respecting others. Outstanding and empowered talent, entrepreneurial spirit

and regard for the planet are other qualities that align with the culture of our organisation and our approach to responsible business.

Our culture and values demonstrate our belief that as an organisation we can and must have a positive impact on the success and well-being 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 or 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 key drivers behind our activities, in a manner that best makes sense to each.



Please refer to the website for Investec's full corporate citizenship statement.

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:

PROFIT	PEOPLE	PLANET	Sustainability at Investec is about:
FINANCIAL STRENGTH AND RESILIENCE <ul style="list-style-type: none"> Balanced and resilient business model. RISK MANAGEMENT AND COMPLIANCE <ul style="list-style-type: none"> Strong risk consciousness Responsible banking practices Responsible lending and investing. GOVERNANCE <ul style="list-style-type: none"> Strong culture and values to underpin our processes, functions and structures. 	SUPPORTING OUR EMPLOYEES: <ul style="list-style-type: none"> Strong, diverse and capable workforce Provide a progressive work environment Respect and uphold human rights. SUPPORTING OUR COMMUNITIES: <ul style="list-style-type: none"> Education Entrepreneurship Environment. 	DIRECT IMPACT <ul style="list-style-type: none"> Reduce the operational impacts of our physical business. INDIRECT IMPACT <ul style="list-style-type: none"> Embed environmental considerations into business activities Responsible financing and investing Funding renewable energy projects and green developments. 	

Sustainability at Investec is about:

- Building a sustainable business model to position the group for the long term so that Investec can make a valuable contribution to society and to macro-economic stability
- Attracting and developing a strong, diverse and capable workforce
- Unselfishly contributing to society and to the well-being of our communities, largely through education and entrepreneurship
- Understanding and managing our environmental footprint so we can make a positive impact through our operations and business activities
- Growing and preserving clients' and stakeholders' wealth based on relationships of trust.



OUR SUSTAINABILITY PERFORMANCE

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

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 clients' and stakeholders' wealth based on strong relationships of trust.

Sustainability memberships

Investec participates and has maintained its inclusion in the following international initiatives:

- The Dow Jones Sustainability Investment Index
- The JSE Limited Socially Responsible Investment Index
- The FTSE4Good Index
- United Nations Principles for Responsible Investment (UNPRI)
- United Nations Global Compact
- The Carbon Disclosure Project – Investec is a member and Investec Asset Management is a signatory Investor
- Investec plc is a constituent of the MSCI Global Sustainability Index Series
- Investec Asset Management CEO, HJ du Toit, was appointed a member of The Global Commission on Business and Sustainability Development in January 2016.

Profit

Our capital light activities contributed 55% to group income and capital intensive activities contributed 45% to group income

Dividends per share increased 5.0%

2016	2015
21.0p	20.0p

People

Investment in employee learning and development increased 3.9%

2016	2015
£14.7mn	£14.1mn

Total spend on social investment as a percentage of operating profit is at 1.0% (2015: 1.1%)

Planet

Scope 1 emissions (tonnes of CO₂e) decreased 8.7%

2016	2015
1 813	1 986

Scope 2 emissions (tonnes of CO₂e) remained flat

2016	2015
36 683	36 548

Scope 3 emissions (tonnes of CO₂e) remained flat

2016	2015
31 400	31 111

We arranged funding for the renewable energy sector of £884 million.

The value we've added

VALUE ADDED STATEMENT

£'000	31 March 2016	31 March 2015
Net income generated		
Interest receivable	1 705 640	1 790 867
Other income	1 313 997	1 292 617
Interest payable	(1 131 871)	(1 155 890)
Other operating expenditure and impairments on loans	(383 059)	(422 829)
	1 504 707	1 504 765
Distributed as follows:		
Employees		
Salaries, wages and other benefits	588 759	614 362
Government		
Corporation, deferred payroll and other taxes	507 341	488 189
Shareholders		
Dividends paid to ordinary shareholders	206 139	204 913
Dividends paid to preference shareholders	180 009	168 486
	26 130	36 427
Retention for future expansion and growth		
Depreciation	202 468	197 301
Retained income for the year	22 745	26 264
	179 723	171 037
Total	1 504 707	1 504 765

RECOGNITION*

Awards

- Investec is highly commended in the Business Charity Awards 2016 for community impact in the UK for our partnership with the Bromley by Bow Beyond Business incubator
- Investec has been voted third most attractive employer in South Africa through the Universum survey
- Investec in South Africa has been awarded a level 2 rating in terms of the Financial Sector Code, as independently verified by Empowerdex
- The Gresham Street office won their ninth Platinum award in the City of London Corporation's Clean City Awards Scheme
- The Gresham Street office received the highest qualitative score in the Carbon Trust Waste Standard
- Investec Limited was one of the five companies in South Africa and 113 companies globally to make the CDP 2015 Climate A List. This includes companies that received an A-grade for their actions to mitigate climate change
- Investec Bank Limited has been voted by the members of the Investment Analyst Society as a leader in corporate reporting in the sector Financial Services
- Investec is a finalist in the Lord Mayor's Dragon Awards 2016 for our programme Beyond Business in the enterprise and employment award category, and for building stronger communities in the Business in the Community Awards
- 2 Gresham Street's EMS was successfully recertified to the international environment standards ISO 14001.



* Some of this recognition was received post financial year end but was for the performance during the past financial year.



Message from the chief executive officer

Give us a summary of the last financial year

The group delivered a sound performance despite the challenging global environment. This reinforces our strategy of building and growing a diversified business model. Performance was supported by reasonable levels of activity and solid net inflows. We enhanced our client offering by deepening our core franchise and growing our client base. Internally, we made progress on a number of fronts, particularly with regard to bringing in the next generation of leadership to position the group for success into the future.

What is Investec's role and contribution to society and the environment?

Investec helps to fund a stable and sustainable economy by providing capital and liquidity for social and economic development. We not only build sustainable businesses that contribute to macro-economic stability but also look to contribute to society and the natural environment. Our responsibility to society starts with the Investec family and during the year we invested £14.7 million on the learning and development of our people. Our staff remain crucial in delivering on our promise to provide exceptional client experiences and hence we continue to focus on attracting, retaining and developing talent. In this regard, Investec was recognised as the third most attractive employer in South Africa in the Universum Most Attractive Employer Awards.

Our sustainability efforts continue to be recognised with Investec Limited now ranked as one of three industry leaders on the DJSI Emerging Markets index, and Investec plc one of 12 industry leaders on the DJSI World and DJSI Europe indices. Investec Limited was one of the five companies in South Africa, and 113 companies globally, to make the Carbon Disclosure Project's 2015 Climate A List which recognises efforts to mitigate climate change.

In South Africa we continue to build and enhance our infrastructure to manage the electricity supply crisis and remain active participants in finding industry solutions, particularly in renewable energy. During the year we arranged funding of £844 million in the renewable energy sector and we are in the process of creating a clean energy fund which we expect to launch by the end of 2016.

An integral part of our corporate responsibility is how we care for our communities. We have a strong programme of activities in South Africa which focus on education and entrepreneurship as the most effective ways of creating opportunities for employment and supporting long-term economic growth. Our flagship Promaths programme has been running for 11 years and we now support eight centres across the country. In the UK, we continue to receive recognition for our contribution to society. We were highly commended in the Business Charity Awards 2016 for our partnership with Bromley by Bow Beyond Business incubator. Something particularly rewarding for us, is how staff volunteerism increases every year across all regions of the group as staff give financially, or in kind, to improve the lives of those less fortunate around them.

How are your transformation plans going?

Investec retained its level 2 BEE rating from Empowerdex in terms of the current Financial Sector Code, improving on our total score from the previous year as a result of efforts to improve our employment equity status and a focus on preferential procurement. We continue to experience challenges in sourcing specialised financial, legal and information technology skills at senior and middle management levels. In light of this, we continue to embrace the notion that home grown talent will ultimately serve the organisation best and place emphasis on our graduate development programmes and especially our chartered accountancy and IT programmes.

We continue to experience good momentum in our enterprise development programme with both Raizcorp and Young Treps continuing to support and develop black entrepreneurs. Part of the Young Treps programme includes a trip to Israel where they are exposed to top Israeli start-ups in a variety of sectors.

What is the outlook for the coming year?

The macro environment remains volatile due to uncertainty in global markets and the pending EU membership referendum in the UK. Political and social challenges in South Africa remain, with the fear of credit rating downgrades continuing to weigh on sentiment. Current levels of activity are, nevertheless, supporting group performance and we remain committed to providing shareholder value, supporting our people and positively impacting our communities.

Stephen Koseff
Chief executive officer, Investec group

Materiality

In identifying material issues, consideration is given to those issues we believe have the potential to significantly influence our ability to have a positive impact on the sustainability of our business and on overall macro-economic stability as well as contributing to the success and well-being of our communities and the environment. We also consider Investec's values and philosophies, and input obtained from our stakeholders in the context of the

three key focus areas of people, planet and profit.

In 2014, 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 ultimately guides our sustainability strategy.

Due to the nature of Investec's business, the material aspects identified are considered unlikely to change in the short to medium term. As a result, Investec only repeats this comprehensive process every three to four years.

Material issue	Why it is important to us	How we managed in 2016
PROFIT		
Balanced and resilient business model	<p>The financial strength and resilience of Investec depends on a balanced business model that supports our long-term growth vision through varying economic cycles. This enables us to deliver value to our shareholders.</p> <p>We aim to maintain an appropriate balance between revenue earned from operational risk activities and revenue earned from financial risk activities.</p>	<p>Geographical and operational diversity continued to support a high recurring income base with a sound balance of earnings generated between capital light businesses and capital intensive businesses. Our capital light activities contributed 55% to group income and capital intensive activities contributed 45% to group income. Dividends per share increased 5.0% to 21.0p (2015: 20.0p).</p> <p>Please refer to the operational and strategic report on pages 22 to 25 of volume one of our 2016 integrated annual report for more information.</p>
Responsible banking practices	<p>We strive to demonstrate cast-iron integrity by displaying moral strength, risk consciousness and holding ourselves to the highest ethical standards. Our robust risk management processes and governance systems provide a strong foundation for responsible banking practices.</p>	<p>The Compliance function ensures that Investec complies with existing and emerging regulation impacting on its operations. Organisational Development (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. Please refer to pages 43 and 44 for more detail on the Compliance function.</p>
PEOPLE		
Engaging, developing and retaining our employees	<p>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.</p>	<p>In 2016, we invested £14.7 million in the learning and development of our employees, up from £14.1 million in 2015. Investec in South Africa has been voted third most attractive employer in the 2016 Universum Most Attractive Employer Awards.</p> <p>Please refer to pages 160 to 201 of volume one of our integrated annual report (remuneration report).</p>
Making an unselfish contribution to society	<p>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.</p>	<p>We invested £4.9 million in corporate social investment. Investec is highly commended in the Business Charity Awards 2016 for community impact in the UK for our partnership with Bromley by Bow Beyond Business incubator. During our period of involvement, the programme has launched over 60 new social enterprise businesses, creating 330 new jobs. Investec is also a finalist in the Lord Mayor's Dragon Awards 2016 and in the Business in the Community Awards.</p>
PLANET		
Sustainable finance and investment	<p>As a niche, specialist, knowledge-based financial services organisation with a small physical presence, the direct environmental and social impacts of Investec's daily operations are limited. 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.</p>	<p>We arranged funding for the renewable energy sector £884 million.</p> <p>In South Africa, Aurora West Coast 1 started commercial operations in June 2015. This project intends to produce 3 625MW of renewable energy by the end 2016 to help curb reliance on coal for energy. This construction created more than 600 jobs, 450 of which were for surrounding communities.</p> <p>Our Asset Management business extended their ESG tool to include a stock review framework that takes risk and opportunity factors into account.</p>
Reducing our operational impacts	<p>While the direct environmental impacts of Investec's daily operations are limited, we seek to reduce our resource consumption and waste generation and thereby limit our environmental impact.</p>	<p>Scope 1 emissions decreased by 8.7%. Scope 2 and scope 3 emissions were slightly up due to improved collection of data. Refer to pages 32 to 36 for more information.</p>



Two

Profit



Sound performance notwithstanding challenging operating environments

- Macro uncertainty and volatility in the group's key operating geographies during the financial year impacted overall results
- Net new fund inflows and reasonable levels of activity in the group's banking businesses supported sound performance
- The Specialist Banking business reported results ahead of the prior year.
- Strong loan growth was supported by client activity in both the corporate and private banking businesses and the investment and debt securities portfolios delivered good results
- The Asset Management and Wealth & Investment businesses reported solid net inflows of £5.3 billion
- The group has successfully leveraged its ability to provide clients an international offering, increasing its client base and deepening its core franchise
- Continued investment in infrastructure, digital platforms and increased headcount are supporting growth initiatives in the overall business
- Geographical and operational diversity continues to support a stable recurring income base and earnings through varying market conditions

RESULTING IN SOLID GROUP PERFORMANCE

Pound earnings	March 2016	March 2015	% change	% change currency neutral basis
Operating profit* before tax (£'million)	583.9	580.7	0.6%	9.9%
Attributable earnings**^ (£'million)	423.1	409.9	3.2%	12.4%
Adjusted EPS**^ (pence)	48.6	47.5	2.3%	11.4%
Total shareholders' equity (£'million)	3 859	4 040	(4.5%)	4.4%
Customer accounts (deposits) (£'billion)	24.0	22.6	6.3%	16.6%
Net core loans and advances to customers (£'billion)	17.5	16.5	6.3%	17.3%

	Target	Ongoing		Statutory	
		March 2016	March 2015	March 2016	March 2015
ROE (post tax)	12% – 16% over a rolling 5-year period	13.9%	13.8%	11.5%	10.6%
Adjusted^^ EPS growth	Target: 10% > UKPRI	2.3%	10.2%	4.8%	4.0%
Cost to income	Target: < 65%	65.8%	66.5%	66.4%	67.6%
Dividend cover (times)	Target: 1.7 – 3.5 times	n/a	n/a	2.0x	2.0x

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

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

^ After deducting preference dividends.

^^ Adjusted EPS is before goodwill, acquired intangibles and non-operating items and after non-controlling interest and after deducting preference dividends.

ONGOING AND STATUTORY INFORMATION

During the 2015 financial year the group sold a number of businesses, namely, Investec Bank (Australia) Limited, Kensington Group plc and Start Mortgage Holdings Limited. The sale of these businesses has had a significant effect on the comparability of our financial statutory position and results. As a result, comparison on a statutory basis of the 2015 year-end results with 2016 year-end results would be less meaningful.



For further information refer to pages 70 and 73 of our 2016 integrated annual report volume one.

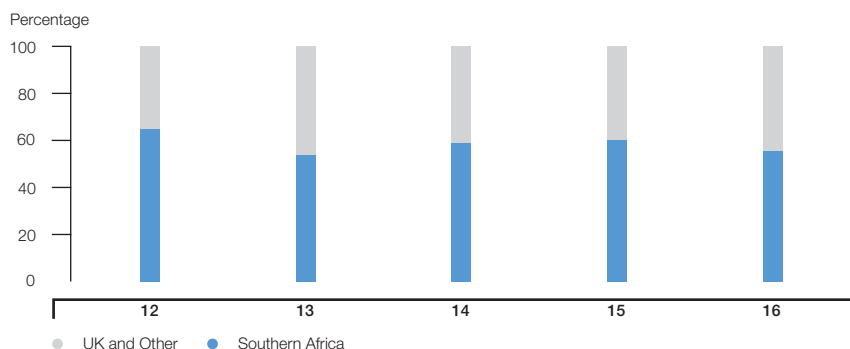


Overview of our 2016 financial year

(continued)

PROFIT

% CONTRIBUTION OF OPERATING PROFIT BEFORE TAXATION OF THE ONGOING BUSINESS (excluding group costs)*



We have a diversified business model...

We have seen an increase in contribution from our UK and Other businesses:

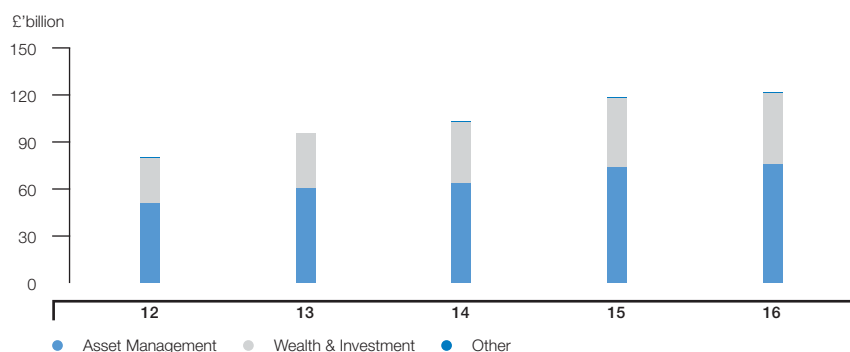
- the combined UK and Other business increased by 12.8% in Pounds Sterling
- the combined South African business increased by 8% in Rands despite the difficult operating environment.



We have had consistent contribution from all our businesses:

- the asset and wealth management businesses contributed 35% to the group's results.

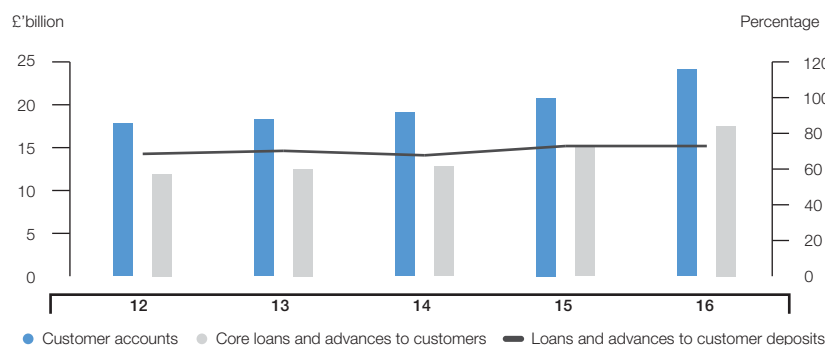
FUNDS UNDER MANAGEMENT ONGOING BUSINESS**



We continued to grow our key earnings drivers...

Funds under management decreased 2.0% to £121.7 billion – an increase of 3.8% on a currency neutral basis.

CUSTOMER ACCOUNTS (DEPOSITS) AND LOANS ONGOING BUSINESS**



- Customer accounts (deposits) increased 6.3% to £24.0 billion – an increase of 16.6% on a currency neutral basis
- Core loans and advances increased 6.3% to £17.5 billion – an increase of 17.3% on a currency neutral basis.

Notes:

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

** Trends in these graphs are done on a currency neutral basis using the Rand: Pounds Sterling exchange rate applicable at 31 March 2016.

Three

People



Our people

Investec employees remain critical to continued business success and to overall sustainability efforts. The expertise and dedication of staff are fundamental in meeting our clients' needs and delivering distinctive results. We employ passionate and talented people who are empowered and able to perform extraordinarily. 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.

In assuming responsibility for our people 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 enable the attraction, development and retention of 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 alignment of HR strategy with business strategy. As our operating jurisdictions have different legal and regulatory requirements, our various HR functions operate in a differentiated but integrated way adhering to the group philosophical approach. Senior responsibility for human resource matters falls under Marc Kahn who is Global Head of HR and OD.

NUMBER OF EMPLOYEES

Headcount increased across all businesses in line with growth aspirations. The acquisition of Blue Strata (rebranded Investec Import Solutions) in South Africa added 176 people to the Specialist Banking headcount.



By division – permanent employees

	31 March 2016	31 March 2015
Asset Management		
UK and Other	473	457
Southern Africa	992	977
Total	1 465	1 434
Wealth & Investment		
UK and Other	1 218	1 164
Southern Africa	314	297
Total	1 532	1 461
Specialist Banking		
UK and Other	2 010	1 939
Southern Africa	3 414	2 925
Total	5 424	4 864
Total number of permanent employees	8 421	7 759



By geography – total employees

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
UK and Other	3 701	3 560	3 671	3 827	3 625
Southern Africa	4 720	4 199	3 986	3 748	3 661
Permanent employees	8 421	7 759	7 657	7 575	7 286
Temporary employees and contractors	545	495	601	576	495
Total number of employees	8 966	8 254	8 258	8 151	7 781

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 upskilling employees and in learnership programmes to develop current and future leaders of the group. Our HR and OD teams play a critical role assisting the business in achieving their learning objectives, which are always aligned to 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.

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 160 to 201 in volume one of Investec's 2016 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.

At Investec, performance is viewed within the context of relationships – the individual's relationships with others, the team, the business unit and the organisation as a whole. Meaningful relationships are functional, engaging, defined by quality conversations and are able to be leveraged to meet business objectives. Performance can only be meaningfully managed against business objectives, thus team and individual performance objectives must always be aligned to business objectives. Team and individual performance management has both appraisal (i.e. reviewing and assessing past performance against business objectives) and development components (identifying performance gaps and initiatives to address these gaps). The process has the following tenets:

- Fair and honest, defined by open dialogue that is both respectful and reflective of individual views and team perceptions
- Driven by the employee and the leader
- Involves ongoing, timeous feedback
- Disciplined, responsible conversations.

100% of employees engage in some type of performance review process every year.

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



SPEND ON EMPLOYEE LEARNING AND DEVELOPMENT

	31 March 2016		31 March 2015	
	£	R	£	R
Southern Africa				
Asset Management	235 157	4 968 554	290 966	5 185 006
Wealth & Investment	421 580	8 907 423	247 232	4 405 680
Specialist Banking	8 434 662	178 213 327	8 618 315	153 578 374
Total	9 091 399	192 089 304	9 156 513	163 169 060
UK and Other				
Asset Management	711 840	15 040 244	727 241	12 959 426
Wealth & Investment	1 036 727	21 904 679	927 208	16 522 854
Specialist Banking	3 834 122	81 009 960	3 308 440	58 956 400
Total	5 582 689	117 954 883	4 962 889	88 438 680
Total group training spend	14 674 088	310 044 187	14 119 402	251 607 740

WORKING AT INVESTEC

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


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.

EMPLOYEE GENDER COMPOSITION – PERMANENT EMPLOYEES

	Southern Africa			UK and Other		
	31 March 2016			31 March 2016		
	Male	Female	Total	Male	Female	Total
 Executive directors*						
Asset Management	–	–	–	1	–	1
Wealth & Investment	–	–	–	–	–	–
Specialist Banking	2	–	2	1	–	1
Total	2	–	2	2	–	2
Senior managers*						
Asset Management	113	69	182	67	20	87
Wealth & Investment	88	31	119	69	12	81
Specialist Banking	618	441	1 059	73	21	94
Total	819	541	1 360	209	53	262
Rest of employees						
Asset Management	323	487	810	237	182	419
Wealth & Investment	65	132	197	580	500	1 080
Specialist Banking	945	1 406	2 351	1 169	769	1 938
Total	1 333	2 025	3 358	1 986	1 451	3 437
Total group	2 154	2 566	4 720	2 197	1 504	3 701

* The categorisation of executive directors and senior managers are different for Southern Africa and the UK and Other due to the different regulatory guidelines of the respective geographies and hence cannot be compared across the group.

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. OD, 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.

Employee wellness

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 personalised 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.

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

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.

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.

TRANSFORMATION

The Financial Sector Charter (FS Code) came into effect in January 2004 as a transformation policy based on the terms of the Broad-based Black Economic Empowerment [BBBEE] Act (53 of 2003).

The FS Code commits its participants to 'actively promoting a transformed, vibrant, and globally competitive financial sector that reflects the demographics of South Africa, and contributes to the establishment of an equitable society by effectively providing accessible financial services to black people and by directing investment into targeted sectors of the economy'.

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
- Investing significantly in learning and development opportunities for both our employees as well as other South Africans
- Encouraging internal transformation by bringing about greater representivity in our workplace.

The table below depicts Investec's consolidated position under the FS Code and places it at a level 2 rating for the period 1 April 2015 to 31 March 2016.

Financial sector scorecard

Element	Target score	Score 2016	Score 2015
Ownership	14	15.21	15.21
Management control	8	4.58	4.58
Employment equity	15	10.19	9.73
Skills development	10	9.23	9.59
Preferential procurement	16	14.00	13.44
Enterprise development	5	4.42	5.00
Empowerment financing	15	15.00	15.00
Consumer education	2	2.00	2.00
Corporate social investment	3	3.00	3.00
Total	88	77.63	77.55
Level		2	2

Ownership

In 2003 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. This structure unwound in May 2011. Some of the parties of the BEE transaction agreed to a refinancing of the arrangement which resulted in various transactions in relation to both Investec Limited and Investec plc ordinary shares.

Management control

We recognise that executive decision-making, management responsibility, the assumption of risk and other factors relating to those who make major financial decisions are critical to real transformation. As part of our employment equity process, a key objective involves transforming strategic decision-making bodies at all levels of Investec.

Employment equity

Diversity is essential for any organisation's ability to innovate and adapt in a fast changing world and is critical to Investec's continued growth and prosperity. As such we remain committed to achieving greater representation at all levels of the business through the effective implementation of our employment equity plan. In respect of our quantitative targets we marginally missed our targets (by an average of 3.5%) for African, Coloured and Indian headcount at top, senior, middle and junior management. However, we exceeded targets at the semi-skilled level by 24%.

This is due to the implementation of several leadership programmes in line with our strategy of employing at a grass root level and developing them into skilled leaders over time. We delivered on all our non-numerical goals including a continued focus on diversity awareness, leadership development and retention of black and female talent.

Skills development

The expertise and dedication of our staff is fundamental in meeting our clients' needs and delivering distinctive results. It is vital that we engage, develop and retain a high-value workforce and we do this by investing significantly in learning and development opportunities, both formal and informal, within and outside the workplace, as well as leadership programmes to develop current and future leaders of the group.



For more information refer to page 14.

Preferential procurement

We have implemented a policy of seeking out suppliers who demonstrate favourable BEE ratings. In instances of request for proposals, where delivery or price are similar, we have opted to utilise the services of BEE vendors. Our short- to medium-term strategy is to identify and develop more ways in giving our existing and potential suppliers support to further develop and ensure sustainability.



For more information refer to page 46.

Enterprise development

Recognising that enterprise and supplier development is vital to South Africa's transformation, we continue to run several initiatives to support black entrepreneurs. One example of this is an enterprise development programme, in partnership with Raizcorp, which incubates entrepreneurs who are managing their own business and have potential to grow and create jobs. The entrepreneurs selected for the programme are assigned a dedicated

team of trained Raizcorp guides, who focus on key areas from strategy, finance and marketing and sales and personal development.

Khulasande Capital, a broad-base black owned and controlled private equity and investment vehicle, is a partnership between Investec Equity Partners (IEP) and the Entrepreneurship Development (ED) Trust. The ED Trust is a black charitable trust focusing on educational and entrepreneurial initiatives, Khulasande's aim is to participate in empowerment opportunities that are of benefit to the ED Trust and would create value for its beneficiaries. This partnership provides Khulasande with access to an experienced team with an extensive track record ensuring it can add value to its investee companies and help them grow and multiply.

Young Treps is a partnership between Investec and the South African Israel Forum (SAIF). Investec and SAIF are committed to finding ways for more South Africans to become active participants in the economy. Given that the trips are developmental in nature, we encourage the participation of young entrepreneurs who belong to groups that were previously excluded from the economy.

Empowerment financing

The empowerment financing elements comprises targeted investment and BEE transaction financing. Targeted investments comprise of debt financing, credit extensions or equity investment in South African projects, in areas where gaps or blockages in economic development and job creation have not been adequately addressed. This includes transformational infrastructure, agricultural development, affordable housing and black SMEs. BEE transaction financing includes all transactions for the acquisition, by black people, of direct ownership in an existing or new entity (other than an SME) in the financial or other sectors of the economy.

It also includes joint ventures, with debt financing or other forms of credit extension to, and equity investments in BEE companies (other than SMEs), which are at least 25% black owned. Investec spent a total of R29 billion on empowerment financing initiatives during the year ended 31 March 2016. The majority of this (R23 billion) was on transformational infrastructure.

Consumer education

At Investec, one of our core philosophies is to make a contribution to society, macro-economic stability and the environment. Our approach includes a strong focus on education and entrepreneurship. We believe it is important that we not only raise awareness of the poor savings rate in South Africa but also drive discussion from a corporate, economic, academic and social perspective on how we can challenge the convention and approach the task. Investec have partnered with the Gordon Institute of Business (GIBS) to provide the research to form a foundation for further debate. Through the Investec GIBS savings Index we hope to increase awareness in all sectors of the importance of taking action to improve savings in South Africa. Investec spend R1.8 million on consumer education activities during the 2016 financial year.

Corporate social investment

Our corporate social investment (CSI) efforts are central to Investec's philosophy of making an unselfish contribution to society, and underpins 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.



For more information on our CSI initiatives refer to pages 23 to 26.



The Financial Sector Code report of our South African business is available on our website.



Supporting our communities

Corporate social investment

Our Corporate Social Investment (CSI) endeavours are central to the group's values of making an unselfish contribution to society, nurturing an entrepreneurial spirit, valuing diversity and respecting others, and underpin Investec's aim of being a responsible corporate citizen. Our approach to CSI focuses on education, entrepreneurship and the environment.

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 in areas which might not fall within our main focus areas.

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



GROUP CSI SPEND

	31 March 2016		31 March 2015	
	£	R	£	R
Southern Africa				
Asset Management	70 074	1 480 565	117 469	2 093 300
Wealth & Investment	44 410	938 315	55 827	994 841
Specialist Banking	233 769	4 939 234	260 795	4 647 365
Group Corporate Social Investment	2 971 847	62 791 224	3 427 900	61 085 174
Total	3 320 100	70 149 338	3 861 991	68 820 680
UK and Other				
Asset Management	110 523	2 335 206	308 044	5 489 339
Wealth & Investment	46 063	973 251	21 666	386 081
Specialist Banking	283 458	5 989 095	249 898	4 453 181
Group Corporate Social Investment	1 134 501	23 970 515	989 889	17 639 820
Total	1 574 545	33 268 067	1 569 497	27 968 421
Total Investec CSI spend	4 894 645	103 417 405	5 431 487	96 789 099
Total Investec CSI spend as a % of operating profit before tax	1.0%		1.1%	

UK and Other

The corporate sustainability programme plays a key role in the fulfilment of Investec's core values, focusing on making an unselfish contribution to society, embracing diversity, nurturing an entrepreneurial spirit and respect for others.

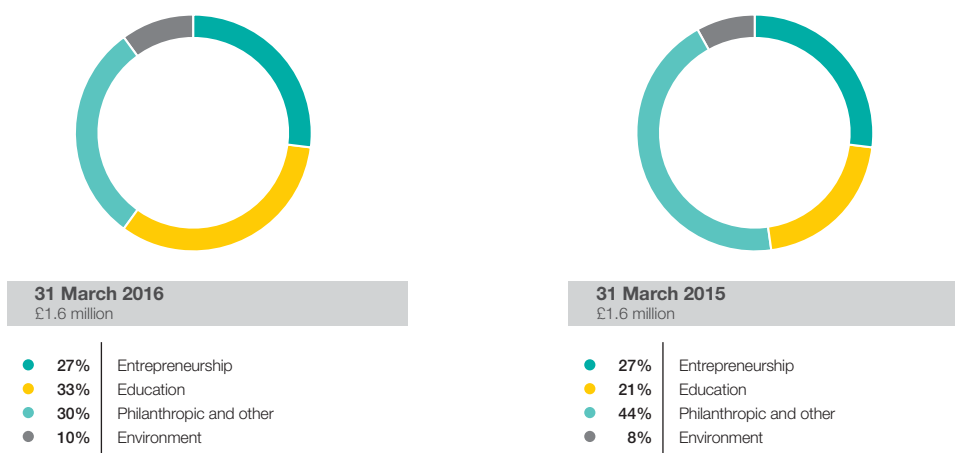
Our approach encompasses the principal elements of:

- Facilitating employee volunteering with local community partners
- Granting donations to small local charities
- Facilitating and recognising fundraising endeavours of employees through organised events and Employee Charity Funding
- Providing a Give-As-You-Earn facility to encourage employee payroll giving.

We champion corporate sustainability social investment by:

- Building dedicated charitable partnerships
- Engaging all of our people in making a positive difference
- Harnessing our diverse resources and collective talent.

UK AND OTHER CSI SPEND BY % CATEGORY



HIGHLIGHTS

- Investec is a finalist in the Business in the Community's Responsible Business Awards 2016 (building stronger communities) and the Lord Mayor's Dragon Awards in the Enterprise and Employment category for the Beyond Business social enterprise incubation programme we run in partnership with the Bromley by Bow Centre. Since 2005 the programme has launched over 60 new social enterprises, with a combined annual turnover of £5 million and created 330 new jobs. Investec has been a partner since 2008 and the sole funder since 2011. Investec has also been highly commended in the Business Charity Awards 2016, in the Charity Partnership (Financial Services) and Community Impact categories, for the Beyond Business programme
- Marino College Dublin, supported by Investec since 2008, was named the 'second most improved school' within the Delivering Equality of Opportunity in Schools programme in Ireland over the

last six years. Our volunteer programme was recognised as contributing to this success. Eleven mentors met with students once a month for two years, arranged mock interviews and work experience placements and offered general guidance – a contribution of approximately 99 hours of volunteering

- The second Investec Ashes Cycle Challenge was organised by our Sheffield office in partnership with The Lord's Taverners charity, which helps to give young people with disabilities, or from disadvantaged backgrounds, a sporting chance. Coinciding with the Ashes in July, the challenge involved 100 cyclists, including employees from seven of our offices and their guests, embarking on a 300 mile cycle between the five Ashes host grounds. It raised £320 000 which went to local charities and the funding of transport for children to sport and leisure activities across the UK

- Two strong candidates, introduced to us through our programmes with youth talent development social enterprise and our community partner, Arrival Education, have been accepted onto our competitive graduate programme. Arrival Education targets young people in danger of becoming disengaged from education. 84 Investec volunteers from across our London offices worked closely with Arrival Education, volunteering in excess of 620 hours (263 in office hours), helping to raise aspirations and to develop mind-sets and skills for the students to achieve success in their lives
- Volunteers contributed 989 hours to complete a number of outdoor maintenance projects local to our London, Edinburgh, Reading and Dublin offices.

EDUCATION

Amherst School

Employees continue to support our partner Amherst School in Guernsey, volunteering over 50 days per year consistently for the past six years amounting to approximately 2 100 hours overall. We provide assistance with the core activities of reading, mathematics and vocabulary, and help with a variety of annual activities such as a cricket sponsorship and boat voyage. We continue to subsidise the breakfast club with our volunteers providing cover each morning.

Arrival Education

We are a founding partner in Arrival Education's four-year talent development programme, Success4Life (S4L). The intensive four-year programme includes volunteer-led success talks, workshops and coaching sessions at our offices. It aims to develop young people from challenging backgrounds, including those from ethnic minorities and those in danger of disengaging from education, helping them to achieve success in their lives.

Despite facing significant barriers, students completing the programme go on to achieve remarkable success. By focusing on those young people with influence in their peer groups, Arrival Education magnifies the indirect impact of the programme.

Although Arrival Education does not focus on academics, as at March 2016, partner schools which submitted data reported that 86% of pupils achieved at least one grade increase in either mathematics or english.

Brighter Futures

We continue to partner with Brighter Futures in Jersey. Employees volunteered 20 hours and we have committed to funding their year-long programme, Growing Together, which is aimed at improving the education and well-being of young children. Growing Together is an evidence-based programme that supports parents in their role as their child's first and most important educator. It provides an enabling environment which allows parents to explore prime areas of learning and development needed to make children nursery-ready.

Morpeth School

Morpeth is a fully inclusive, mixed comprehensive secondary school situated in east London in one of the most disadvantaged UK local authorities. The pupils are from diverse backgrounds and minority ethnic groups, and a well above average proportion are on the disability spectrum, with needs ranging from visual impairment; behavioural, emotional and social difficulties; Autism Spectrum Disorder; speech and language, as well as physical disabilities. Barriers to further education, training and employment remain significant for pupils. Morpeth aims to enable academic success but also to ensure high aspirations for all and to build social and cultural capital, our long-standing partnership supports the school and its college in these aims.

Our long-term partnership has developed over the years and ranges from annual commitments to one-off events and from large group-based activities to individual support, with many opportunities for pupils to visit our offices and talk to a range of adults beyond their normal circles, both of which are key in raising aspirations and building social capital.

Financial support for Morpeth School

- Breakfast club: enabling over 100 young people to take a free meal every day before school
- Drum Works afro-reggae drumming programme engages over 100 young people a week, involves public performances and has led to funded overseas visits
- Tower Hamlets 'Tall Ships' project provided 40 young people from five different Tower Hamlets schools the potentially life changing opportunity to crew a ship for a week in the seas around the UK
- Outward Bound: support to offer subsidised and therefore accessible residential trips for approximately sixty Year 7 – 9 students. For many the trip will be their first time away from home and out of a city or out of London.

Volunteering time

We volunteered over 230 hours with Morpeth in the last financial year, opportunities have included:

- Mathematics sessions: volunteer initiated sessions providing after-school support weekly for Sixth Form pupils wanting to attend
- Young Apprentice: volunteer-led skills development and work experience programme for select Year 9 pupils hosted at Investec.

Below left: Volunteers at the Young Apprentice programme.
Below right: Tower Hamlets 'Tall Ships' project.



ENTREPRENEURSHIP

Bromley by Bow Centre

We have partnered with the Bromley by Bow Centre focusing on economic regeneration in the London Borough of Tower Hamlets since 2008. Our volunteers support our Beyond Business programme and also help with the maintenance of the green space at the centre, the largest public green space in the ward of Bromley by Bow serving approximately 14 480 people in east London.

In 2011 we stepped up as the sole funder of the Centre's Beyond Business programme and extended its reach to the London Boroughs of Hackney and Newham, as well as Tower Hamlets.

Beyond Business 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 panel, offering advice to shortlisted budding entrepreneurs and granting start-up funding to successful applicants. We also run the annual Beyond Business College at Investec, providing specialist support to entrepreneurs helped to launch through the programme. Twenty volunteers from 11 different business areas volunteered over 95 hours to support the programme.

Last year, five new social enterprises were launched, 20% of these are black minority or ethnic-led and 60% are run by women.

Young Enterprise

Following an excellent session supported by our volunteers in Skipton in 2014, employees in our Liverpool office volunteered 49 hours with Young Enterprise, one of the UK's leading enterprise and financial education charities. The brave volunteers stepped up to help to deliver Personal Economics sessions at local schools, which developed their public speaking skills and gave the young people an insight into future careers and the necessity of education.

Below left: Newly launched social entrepreneurs with Investec volunteers, at the Beyond Business College.



ENVIRONMENT

Volunteers contributed 989 hours to complete a number of outdoor maintenance projects local to our offices:

- 836 hours in support of Newham City Farm, the Bromley by Bow Centre, Trees for Cities and St. Mungo's (London)
- 32 hours in support of Edinburgh and Lothian's Greenspace Trust
- 70 hours in support of Geoffrey Fields School (Reading)
- 51 hours in support of Strokestown House (Dublin).

Australia

Investec Australia's CSI continued its philanthropic commitments to the Australian community by focusing on a small number of ongoing philanthropic sponsorship and volunteering initiatives. Partnering with local, entrepreneurial organisations which perform important work within the community. These are illustrated primarily through supporting meaningful health, welfare and educational programmes, while remaining focused on preserving the local environment and managing our sustainable footprint.

The Australian office contributed A\$141 810 (2015: A\$276 226) to a number of CSI projects including:

- **The Australian Business and Community Network (ABCN):** a not-for-profit organisation that partners education with business through the development and delivery of mentoring programmes for high-needs schools. Entirely business-funded and led by an experienced body of CEOs, ABCN is made up of 34 member companies that represent a breadth of industries and include well-recognised, national and global organisations. Investec Australia

provided 16 mentors who donated 127 hours of their time to 48 students from high-needs schools through four programmes.

- **University of Melbourne**
Investec contributed A\$50 000 to the University of Melbourne in late January 2015 to support three Indigenous Australian students enrolled at the University in the Bachelor of Arts (extended) or other extended programmes, to cover the costs associated with accommodation, living expenses and tuition. This initiative is for a two-year period.
- **ICARE**
ICARE is an internal volunteering initiative which allows staff to volunteer one day of their time annually with the aim of giving back to the community as well as being involved in a teambuilding environment. This year our ICARE volunteers worked at the RSPCA and the Exodus Foundation. The RSPCA is a voice for the animals of Australia. Volunteers are in an integral part of the RSPCA and play an active part in supporting their work to improve the welfare of animals. The Exodus Foundation is a charity providing food, educational, and

social health and well-being services to homeless and struggling Australians without discrimination.

- **The Outback Oral Treatment and Health (TOOTH)**

The TOOTH programme which was launched in 2012 in partnership with Australia's Royal Flying Doctor Service provided free and comprehensive dental care to address the serious and untreated dental disease of those living in remote areas. During the three-year period Investec contributed over A\$500 000 towards this initiative. As of June 2015 this initiative has ceased.

- **Donation matching programme for employees**

Investec Australia matches donations (up to A\$2 000) for each employee to registered Australian charities of their choice. Our employees donated A\$11 360 which was matched by Investec.

Below: Investec volunteers for ICARE.



Southern Africa

Our Corporate Social Investment (CSI) efforts are central to Investec's philosophy of making an unselfish contribution to society, and underpins 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. The strategy is aimed at facilitating

the empowerment of talented individuals within a defined continuum of interventions through school and university to the workplace.

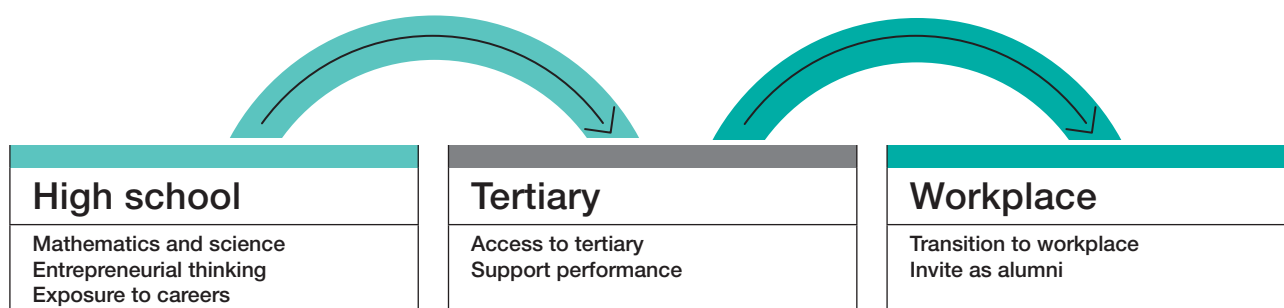
Wherever possible, we seek to collaborate with partners, so as to leverage resources and expertise and help ensure a lasting impact as well as long-term sustainability for our projects. In all cases, we look to ensure that projects are enduring, sustainable and replicable (where appropriate) and are guided by strategic intent, rather than philanthropic well-meaning.

Our objectives are twofold:

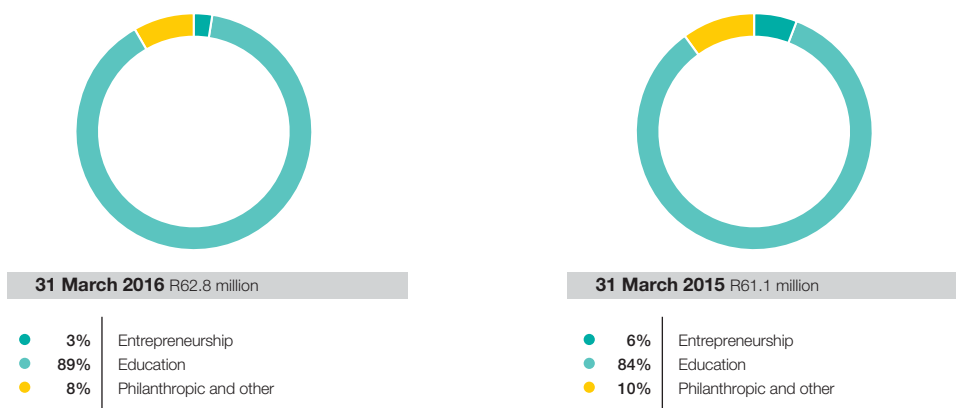
- To facilitate an increase in the number of entrepreneurially-minded matriculants as well as those with a decent pass in english, mathematics and science and, who have an aspiration to proceed beyond matric
- To facilitate access to quality tertiary education.

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

SOUTHERN AFRICA PIPELINES OF INTERVENTIONS



BREAKDOWN OF SPEND BY THE CSI DIVISION IN SOUTH AFRICA



HIGHLIGHTS

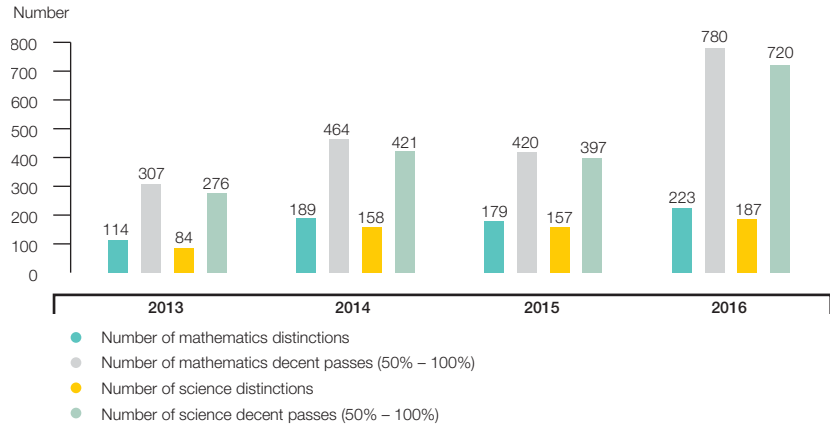
In line with our strategy, a total of 92% of South Africa's CSI spend was allocated to education and entrepreneurial initiatives:

- Promaths has been offering extra mathematics and science lessons to learners in grades 10 to 12 at selected schools across the country. Aimed at supporting the South African education system to produce students that are competent in these critical subjects, the programme continues to outpace the national average. Investec currently funds eight Promaths centres.
- During the 2015 academic year, approximately 200 Promaths learners obtained more than 80% in their matric mathematics. 780 learners passed mathematics and 720 learners passed science
- Investec Merit Awards allocated 17 new merit awards in the 2015 academic year
- The Investec bursary programme currently has 94 bursary recipients from first year to honours level. Last year saw 23 of our bursary recipients graduating and entering the world of work, bringing the total number of our ex-bursary holders who are now professionals and part of our alumni to 109.



223 Promaths learners achieved more than 80%

PROMATHS 2015/16 ACADEMIC YEAR RESULTS



EDUCATION

Promaths

Our flagship educational programme, Promaths, is aimed at supporting the education system by generating students who are competent in mathematics and science. The programme provides extra tuition in mathematics and science to learners in grades 10 to 12 at selected schools across the country. Investec currently funds eight centres across the country. It is important to note that the programme does not seek to replace the roles of mathematics and science educators in schools, but rather to supplement their efforts in order to improve the mathematics performance of high-potential learners in their schools.

Bursary, mentorship and alumni programmes

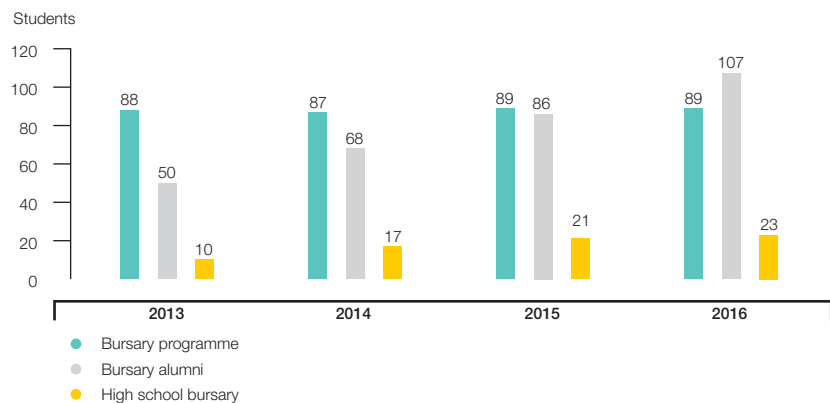
- High school bursaries: Every year we award deserving high school bursaries and 2015 was no exception
- University bursaries: Following our annual bursary recruitment drive, a significant number of applications were received at the end of September 2015. After a rigorous shortlisting process, 50 made it on to the list. All shortlisted candidates were hosted for a three-day selection process in December 2015. We have now confirmed 28 new bursary recipients for the 2016 academic year, bringing our total number of bursary students to 94. 23 of our bursary recipients graduated

and entered the world of work. This cohort of graduates brings the total number of our ex-bursary holders to 109, who are now professionals and part of our alumni

- Investec Merit Awards @ Nelson Mandela Metropolitan University (NMMU): In partnership with NMMU, Investec CSI offers merit awards to individuals who do extremely well academically and are in need of financial assistance. These merit awards are small once-off bursaries to enable students to register and gain access to university. We have allocated 17 new merit awards for the current academic year.

23 bursary recipients graduated and entered the workplace

BURSARY PROGRAMME



Career guidance

As part of its education focus, Investec social investments 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. In 2015, 410 grade 11 learners were given an opportunity to attend A Day at Investec. The purpose of this initiative is to:

- Introduce learners to the corporate world
- Encourage learners to aspire towards an excellent matric pass
- Raise awareness of careers within the financial sector, specifically at Investec
- Raise awareness of funding available to them for their studies
- Inspire and excite them towards tertiary studies.

This day showcased different careers within the finance sector in a more practical manner and allowed for the opportunity of job shadowing where staff members volunteered to take learners to their work spaces.

Investec office	Number of learners
Sandton	100
Pretoria	70
Cape Town	100
Durban	90
Port Elizabeth	50

Mentorship appreciation day

To complete the educational support loop, Investec also addresses the need that many university students have for advice and mentorship. The Mentorship programme pairs Investec staff volunteers with each of the bursary recipients. In this role, staff members become personal mentors, offering students a sounding board for educational and other decisions or difficulties. In many instances, mentors also draw on the skills and expertise of other colleagues to assist bursary students with particularly challenging university courses.

As part of the Mentorship programme, an annual Mentorship Appreciation Day is hosted at Investec to motivate students to work hard and to take advantage of the mentorship relationship.

Work Readiness programme

University students have limited or no exposure to the world of work and may lack the soft skills needed to get a job, stay employed, and advance while employed. In response to this challenge, Investec hosts an annual Work Readiness programme aimed at assisting talented students in their transition from tertiary education to the world of work. Selected students attend this programme to experience our dynamic environment and acquire a unique combination of skills aimed at preparing them for the world of work.

Teacher internship programme

Investec's partnership with Independent Schools Association of Southern Africa (ISASA) and the Department of Education aims to develop quality teachers in mathematics, science and english. 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 mathematics and how to teach it.

Each student is allocated a mentor over the four-year period; this is to ensure positive role modelling, strong support and quality supervision. The students also attend academic camps, which offer ongoing motivation and support to bolster the professional and academic development and ensure that they sustain the momentum which has been established. Some of the UNISA lecturers play a role and attend these academic camps.

The 2015 academic year saw an intake of 60 teacher interns, bringing the number of interns to over 120. The number of ISASA associated schools where teacher interns are placed has grown to over 40 schools across the country.

Below: Promaths awards.



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 2015, Investec continued its partnership with Junior Achievement South Africa (JASA) in an entrepreneurship initiative that seeks to stimulate an entrepreneurial mindset as well as life skills amongst grade 10 and 11 learners.

The Mini Enterprise Programme is an entrepreneurship programme run in partnership with JASA, which runs over 11 weeks. The first three weeks consist of a general introduction to small business and covers basic business skills ranging from financial planning to the selling of company shares. During weeks four to eleven, the groups form a mini-company where they produce a product or provide a service, form proper management structures and run the company to make a profit.

Young Entrepreneurs programme (Young Treps)

Investec and the South Africa-Israel Forum (SAIF) have partnered to facilitate an opportunity that exposes young entrepreneurs to Israel's entrepreneurial culture and spirit. Young Treps is an initiative that sends a select group of leading young entrepreneurs to Israel for a week and is

aimed at stimulating their personal and entrepreneurial growth.

The trip included visits to top Israeli start-ups in a variety of sectors, as well as formal and informal opportunities to network and showcase their businesses and to be an opportunity for the young entrepreneurs to establish global relationships.

A total of four trips have taken place in 2015.

Volunteerism

Our experience is that far more can be achieved by using our knowledge, expertise and influence than by limiting our contribution to cash grants. We believe that more can be achieved through successful partnerships with staff hence the effort to encourage our staff members to take a keen interest in and participate in some of our initiatives. We have seen an increase in not only staff's interest to get involved but also in the number of staff volunteerism activities across the board. We have signed off our refined staff volunteerism strategy that revolves around giving time, money and goods. Initiatives include:

- Mandela Day, a campaign driven across the country by the Nelson Mandela Foundation in which Investec participates. Investec continues to explore different ways in which staff members can participate in the Mandela Day Campaign
- The Cradle Project, a staff-initiated programme which allows staff the

opportunity to present their own charitable donation requests to a forum and possibly receive funding for those projects. Investec provides annual capital for this initiative. Staff members who participate in the Cradle Project also volunteer their time in many other charitable causes. Cradle Project allocated R877 296 (2015: R570 303) to a variety of worthy causes

- Touch by Giving, a programme which offers Investec staff a simple and tax-effective way to make a monthly donation, directly from their salaries, to a pre-selected list of charities. Staff contributed R188 151 and Investec matched it with R221 751 to a total contribution of R416 902 (2015: R372 620). Total contribution from our staff since the start of Touch by Giving in January 2008 is R1 186 761. The overall contribution is R2 546 762.

Mauritius

Investec Bank Mauritius' CSI strategy focuses on projects and initiatives in education, environment and sports development. The office contributed £63 818 (2014: £64 520) to a number of CSI projects during the financial year.



Please refer to pages 58 and 59 of Investec Bank (Mauritius) Limited's annual report for more detail.



Please refer to our website for a comprehensive view of our CSI initiatives.

Below: On Mandela Day, staff volunteered to making toys from waste.



Four

Planet



Planet

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.

Investment and development

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

Investec philanthropy services

Investec recently launched Investec philanthropy services within our Wealth & Investment business. This initiative offers advisory services to individuals, families, businesses and non-profit organisations with the aim of maximising their philanthropy objectives and achieving the most positive social impact with their charitable investments. Largely South African based, Investec philanthropy services currently support a number of private charitable foundations. The focus areas of the foundations vary, and include education, healthcare, welfare, social justice, the environment and conservation and animal welfare. An important service is the provision of due diligence on a non-profit organisation prior to the making of a grant. This is to ensure that the private foundations we look after support sustainable and effective organisations.

With regard to non-profit organisations, which are clients of the Wealth & Investment business, we also provide services which include guidance on structuring, legal, tax and corporate governance issues.

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 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.



Full details on our stewardship policy can be found on the Investec Asset Management website.

Power and Infrastructure

The power and infrastructure finance 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.

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.

(continued)

West Coast 1, timeline

2008	→	WIND SITES IN SOUTH AFRICA	Investec Bank acquires a portfolio of wind sites in South Africa from Windlabs in advance of the announcement of the renewable energy programme.
2009	→	MOYENG ENERGY	Moyeng Energy formed to develop and bid the projects and Investec sells 71% of the equity to Engie and KTH.
2010	→	WEST COAST 1	West Coast 1 identified as project to be bid under the announced renewable energy programme and with data collection masts installed, and the process to obtain various regulatory approvals commenced.
2011	→	WEST COAST 1	West Coast 1 receives all regulatory approvals and negotiates construction and equipment supply contracts allowing the project to submit a compliant bid under the South African renewable energy programme.
2012	→	WEST COAST 1	West Coast 1 announced as a preferred bidder in the second window of the REIPPP.
2013	→	20-YEAR POWER TO PURCHASE AGREEMENT	Financial close achieved with funding arranged by Investec Bank with a 20-year power to purchase agreement which is signed with Eskom and construction commences. The project goes on to create more than 600 jobs during construction. Aurora Wind Power plans to establish several educational initiatives in the local community.
2014	→	GRID CONNECTION	Grid connection is successfully energised and authorised by Eskom. Eskom's 132kV network was extended up to a connection point in the wind farm substation and was energised. In November 2014 the wind farm was connected to the Eskom network successfully.
2015	→	VALUED CITIZENS INITIATIVE	Five-year contract signed with Valued Citizens Initiative to embark on upliftment of education in the West Coast area. The Department of Education has committed to the programme. West Coast 1 starts commercial operations in June 2015.

RECENT RENEWABLE ENERGY DEALS

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.

Name of deal	Date closed	Investec role	Project type	Country	Project brief
Hornsedale Wind Farm	April 2015	Developer and vendor	Wind	AUS	Investec developed the 270MW Hornsdale wind farm over a numbers of years before divesting it to Neoen Australia and Megawatt Capital at the pre-construction phase. The project has since been awarded a 100MW feed-in tariff from the ACT Government and reached financial close in August 2015, with Investec further supporting the project by providing a HoldCo debt facility.
Lightsource (Goldfish)	May 2015	Sole lead arranger	Solar	UK	Investec acted as sole lead arranger to provide £34.19 million senior secured facility and £1.5 million VAT facility (cross-guaranteed) for refinancing of a 30.2MW portfolio of UK operating FIT solar PV assets.
Octopus (Windsor)	September 2015	Joint underwriter, bookrunner and lead arranger	Solar	UK	Investec, alongside RBS, acted as joint underwriters and bookrunners for the syndication of the £400 million two-year senior bridge facility (plus interest rate hedging) refinancing the acquisition of a portfolio of 74 operational Solar PV assets totalling 520MW, representing 10% of the UK's installed solar capacity. The facility attracted strong interest from the banking and institutional investor markets, with primary syndication well oversubscribed. This is the largest UK solar portfolio financing to date. Lightsource won IJ Global Sponsor of the year 2015 for completing landmark deals (Windsor) and for engaging in innovate projects.
Greenko	December 2015	Sell-side financial advisor	Power portfolio	UK/India	Investec acted as financial advisor to the board of Greenko Group PLC during the sale of its underlying Indian renewable energy business to an affiliate of GIC in a transaction with an enterprise value of approximately £1 billion. Greenko operates a portfolio of almost 1 000MW wind, run-of-river hydropower, natural gas and biomass assets.
Sunrun Hera	January 2016	Sole arranger and sole bookrunner	Residential solar asset portfolio financing	US	Investec provided US\$250 million in debt financing for Sunrun's residential solar portfolio, it is the largest of Sunrun's bank financing to date which will be utilised to securitise its contracts with consumers by installing residential solar systems. The five-year non-recourse, back-leverage financing is secured by cash flows that are available to Sunrun after distributions to its tax equity investors.
Bluefield Solar (Project Grey) 105MW Portfolio Acquisition	January 2016	Joint lead arranger	Solar	UK	Invested acted as joint arranger and underwriter on a £200 million senior financing. The facilities has been used by the UK-focused investor Bluefield Solar Income Fund (BSIF) to acquire six operational photovoltaic plants with a combined capacity of 104.5MW from Primrose Solar. The projects are located in Hampshire, Kent, and Sussex and have been accredited for 1.4 Renewable Obligation Certificates (ROCs). The facilities include a revolving loan which may be used to fund further acquisitions.

Energy fund

The sub-Saharan electricity sector requires major investment over the next 25 years with a significant portion of this investment to be made by the private sector. The Integrated Resource Plan for Electricity (2010 – 2030) for South Africa indicates that 30 000MW of additional generation capacity across all technologies (excluding nuclear) is required to be added to the national grid to meet increased demand before 2030. Notwithstanding the success of the Department of Energy's Renewable Energy Independent Power Producer Procurement Programme (REIPPP) there remains a shortage of investment capital. Recognising the opportunity to play a role in funding and transforming the energy sector, Investec is creating an energy fund to invest in and acquire equity instruments in private unlisted companies that are undertaking energy projects in sub-Saharan Africa with an initial focus on operating assets in South Africa. We expect that a significant portion of the fund will be in clean energy as the sub-Saharan Africa projects move away from coal towards more renewable and clean energy sources. The fund manager will have a minimum 51% black shareholding which will see the transfer of skills to black employees, thereby facilitating the creation of a new majority black-owned investment manager and contributing to the transformation of the fund management industry. The nature and scope of the fund allows investors, not all of whom are natural long-term investors in infrastructure, to exit their investments earlier than would traditionally be allowed with these types of investments. We expect the fund to be launched towards the end of 2016.

CONSERVING THE ENVIRONMENT

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.

Investec Rhino Lifeline

Rhino poaching is one of South Africa's most significant conservation and humanitarian issues, with rangers' and poachers' families indiscriminately losing loved ones.

Investec prides itself in being an organisation that cares about more than just money and profit, caring about the communities around us and the world we live in, and Investec Rhino Lifeline is our response to the rhino crisis.

Highlights for this year include:

- In June 2015, as part of its demand reduction strategy, Investec Rhino Lifeline partnered with the Wilderness Foundation and Peaceparks to bring a group of Vietnamese students to South Africa. This included a five-day wilderness experience, a visit to a rhino orphanage and an educational workshop, where they learnt about the scientific properties of rhino horn and the brutality of rhino poaching. The students returned to Vietnam and successfully implemented awareness campaigns, extending across social media and YouTube to presentations and national television interviews
- In January 2016, Investec Rhino Lifeline hosted Investec UK ambassadors and England fast bowlers Stuart Broad and Steven Finn at the Shamwari Game Reserve to experience rhino in their natural habitat and learn more about the rhino crisis. The resulting positive media coverage was impactful and extended our reach to new sporting and international audiences
- We continue to focus our efforts on educating children in communities on the edges of reserves in areas at risk to rhino poaching, in partnership with Coaching for Conservation (C4C). This year C4C expanded the product offering, engaging with 2 100 children, and reaching 3 600 children since inception in 2013.

Investec Rhino Lifeline's approach remains Out of the Ordinary as it targets both the demand and supply side of the rhino crisis. In the coming year we will continue to expand the reach and impact of our C4C programme, while remaining open to opportunities that allow us to leverage off the strength and reach of the Investec brand and maintaining our objective to raise awareness and keep the debate around the crisis in the public domain.

The Australian Rhino Project (TARP)

The aim of this project is to create a breeding herd within Australia to help towards preventing the extinction of Black Rhinos and White Rhinos in South Africa.

Protecting birdlife

The power and infrastructure finance team takes consideration of the environmental impact of these types of transactions and renewed 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.

IAM Tusk Conservation Awards

Investec Asset Management has been supporting the Tusk Conservation Awards for the past four years. The awards aim to highlight the outstanding achievements of individuals working within the field of conservation. Ranging from practical field conservation to successful environmental education, these awards aim to recognise the achievements of individuals who are ensuring the future of Africa and bringing the challenges faced by the continent to a global audience. At the 2015 awards, the Prince William Award for Conservation in Africa was sponsored by Investec Asset Management and awarded to Garth Owen-Smith in recognition of his lifetime contribution alongside Dr Margaret Jacobsohn to the restoration and conservation of wildlife in Namibia.



Direct operational impact

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.

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.

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).

(continued)



Investec's environmental policy takes into account the challenges that climate change presents to the global economy and we will consider any meaningful activity that either reduces the negative impact on or prolongs the life of our planet. We believe that as a bank, and given our positioning in the first and emerging worlds, we can make a meaningful impact in addressing climate change

Carbon footprint for the group

		31 March 2016	31 March 2015
Tonnes of CO ₂ equivalent:			
Scope 1			
Energy	Gas consumption	458	532
	Diesel	248	221
Refrigerant	Refrigerant	891	1 002
Employee travel	Vehicle fleet	216	231
Total scope 1		1 813	1 986
Scope 2			
Energy	Electrical energy consumption	36 683	36 548
Scope 3			
Paper	Paper consumption	612	559
Waste	General waste	39	29
	Waste recycled	17	18
Employee travel	Rail travel	98	106
	Road business travel	122	245
	Taxi	51	12
	Commercial airlines	30 461	30 142
Total scope 3		31 400	31 111
No Scope			
Water	Water consumption	–	–
Total emissions		69 896	69 645
Emissions per average employee		8.20	8.44
Emissions per m² office space		0.39	0.43
Water consumption per average employee (kl)		15	12

(continued)



UK and Other carbon footprint

UK and Other consumption		Units	31 March 2016	31 March 2015
Scope 1				
Energy	Gas consumption	kWh	2 411 761	2 789 241
	Diesel	l	600	2 812
Refrigerant	Refrigerant	kg	29	55
Scope 2				
Energy	Electrical energy	kWh	14 134 778	14 445 398
Scope 3				
Material	Paper	t	120	57
Waste	General waste	t	11	34
	Waste recycled	t	424	494
	Food waste to anaerobic digestion	t	120	111
	Incinerated waste to energy	t	118	75
Employee travel	Rail	km	2 215 447	2 266 368
	Road business travel	km	299 913	1 296 121
	Taxi	km	190 996	46 723
	Hotel nights	night	8 300	5 763
	Commercial airlines	km	34 787 724	42 220 111
No scope				
Water	Water consumption	kl	28 666	19 060
Emissions from consumption				
Total emissions			22 236	25 057
Total average employees			3 799	3 792
Emissions per average employee			5.85	6.61
m ² office space*			56 389	53 095
Emissions per m² office space			0.39	0.47

* The increase in office space is due to the inclusion of our China, India, Singapore and Taiwan offices, and our new 30 Gresham Street London office.

UK energy table	Electricity		Gas	
	% Target	% Achieved	% Target	% Achieved
Year				
2008/9	Base year	Base year	Base year	Base year
2009/10	(9%)	(8%)	(9%)	(17%)
2010/11	(15%)	(18%)	(15%)	(55%)
2011/12	(19%)	(23%)	(19%)	(58%)
2012/13	(22%)	(29%)	(22%)	(66%)
2013/14	(25%)	(28%)	(25%)	(58%)
2014/15	(27%)	(29%)	(27%)	(66%)
2015/16	(28%)	(30%)	(25%)	(65%)

Data has been gathered in line with requirements of the CRC Energy Efficiency Scheme in the UK. 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. The GHG report is similar to, but wider than our Carbon Footprint report, in that where the carbon footprint includes the UK/Ireland/Guernsey only, the GHG report includes those plus many other plc offices' data (energy).

HIGHLIGHTS FOR THE UK

Our environment programme looks at six main focus areas:

- Energy minimisation
- Waste minimisation
- Water management
- Sustainable procurement
- Sustainable travel
- Air quality.

These focus areas form part of our Environmental Management System (EMS). Our 2 Gresham Street Energy Management System (EnMS) remains certified to ISO 14001 and will run for three years.

- We received the highest qualitative score in the Carbon Trust Waste Standard. This demonstrates our commitment to managing our environmental footprint
- In 2015 Team Green was rolled out further within the UK, and is now in 17 of our 19 UK offices as well as our Irish office

- The Watch Your Waste Campaign, focused on paper and plastic waste and had the following impacts:
 - Waste reduced by 3%/3 541 kg to 50 897 kg
 - Engaged more office waste segregation and minimisation
 - Removed under-desk bins from more offices, encouraging more recycling
- The Air We Share campaign, focused on air pollution advising staff on how to protect themselves from poor air quality and how to reduce their contribution towards it. Impacts were as follows:
 - 2 305 employees reached
 - 595 employees engaged face to face
 - 411 air quality pledges made on Action Days
- We have smart meters in most of our offices which help us to monitor and better manage our energy usage and we continue to have green electricity tariffs in five of our UK offices.

Our 2 Gresham Street's EnMS remains certified to the Energy Reduction

Verification Kitemark, where we continue to reduce our energy usage despite a growing headcount. We have to date, saved approximately £1.7 million in our Gresham Street office by switching off unnecessary electricals

- Our Gresham Street office won our ninth Platinum award for our waste management in the City of London Corporation's Clean City Award Scheme
- In Gresham Street we continued to bottle our own pure drinking water refilling 28 384 litre bottles during the past financial year
- During 2015 we improved our collection of travel data with respect to commercial airline business travel and road business travel
- We continue to run a Cycle2Work scheme across Investec Specialist Bank, and a Ride2Work scheme within Wealth & Investment. There are 354 registered cyclists and 100 bike spaces in our 2 Gresham Street office alone.



Southern Africa carbon footprint

Southern African consumption			Units	31 March 2016	31 March 2015
Scope 1					
Energy	Gas consumption	kWh	59 778	76 083	
	Diesel	l	91 086	81 881	
Refrigerant	Refrigerant	kg	505	507	
Employee travel	Vehicle fleet	km	1 131 072	1 194 365	
Scope 2					
Energy	Electrical energy^	kWh	29 269 262	28 493 024	
Scope 3					
Material	Paper	t	146	170	
Waste	General waste	t	66	62	
	Waste recycled	t	154	164	
Employee travel	Road business travel	km	353 600	208 318	
	Commercial airlines	km	42 547 196	37 178 259	
No scope					
Water	Water consumption	kl	95 191	81 359	
Emissions from consumption					
Total emissions				47 942	44 802
Total average employees (including temporary employees and excluding Blue Strata employees)				4 723	4 431
Emissions per average employee				10.15	10.11
m² office space*				123 154	113 374
Emissions per m² office space				0.39	0.40

* Office space increased due to the inclusion of the 4th and 5th floors in our Sandton west building.

[^] Electricity increased due to improved collection of data.

(continued)

HIGHLIGHTS FOR SOUTHERN AFRICA

- Electricity is the largest contributor to our direct environmental impact. With rising electricity costs, energy supply concerns in South Africa and pending carbon tax costs, it is becoming more imperative that we reduce our energy consumption. As such, Investec Sandton (our largest office, comprising 49% of group floor space) has set an energy reduction target of 10% by 2020, with 2014 as a base year. We have set 2014 as a base year because we spent R4.5 million on energy efficiency initiatives in 2009 and have already seen reductions of 26% from 2008 to 2014. Since 2014 we have seen additional reductions of 6.8%. We seek to further increase our efficiencies by 2020
- Our biggest energy consumers are heating, ventilation and air-conditioning systems, lighting and information technology. During 2016 we spent approximately R3 million on consolidation and modernisation of electrical infrastructure. In addition to the efficiencies gained through infrastructure improvements, consolidation and decommissioning activities in the data centre should result in a combined reduction of roughly 3% of annual consumption. Further consolidation and modernisation activities are planned for the 2017 financial year
- In order to encourage recycling and simultaneously support surrounding communities, Investec staff partner 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. Since inception, staff have collected enough tops and tags to donate 33 wheelchairs to the community
- The desire to make a meaningful contribution to the world we live in is at the heart of Investec's values. On World Environment Day, we invited all staff to engage with some of our partners in conservation to hear how Investec is caring for the environment. These included:
 - Investec Rhino Lifeline which raises awareness of South Africa's rhino crisis
 - Endangered Wildlife Trust (EWT) Carnivore Conservation programme
- which conserves South Africa's wild dogs. Our partnership with EWT ended during the year
- BirdLife South Africa which minimises the impact of renewable energy projects on birds and their habitats
- Team Green which manages Investec's internal environmental initiatives.
- Towards the end of the year Investec Sandton acquired four water machines that filter and dispense still and sparkling tap water. Staff are encouraged to use a glass or bottle to fill up at any time in an attempt to reduce the use of plastic bottled water. Team Green also purchased glasses made from recycled wine bottles to accompany glass bottles in meeting rooms
- Investec supported the Operation Hydrate initiative by donating approximately R30 000. This initiative supports communities by supplying drinkable water to drought stricken areas in South Africa.

Below: On World Environment Day, we invited all staff to engage with some of our partners in conservation to hear how Investec is caring for the environment.





Five

The way we do business





Building trust and credibility among our stakeholders is vital to 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 UK Listing Authority (UKLA) and Johannesburg Stock Exchange (JSE) and other exchanges on which our shares are listed, and with any public disclosure obligations as required by the UK regulators and the South African Reserve Bank (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.

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.

In 2014, 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 ultimately guides our sustainability strategy.

Due to the nature of Investec's business the material aspects identified are considered unlikely to change in the short to medium term. As a result, Investec only repeats this comprehensive process every three to four years.

Employees

- Communication policy
- Quarterly magazine (*Impact*)
- Staff updates hosted by executive management
- Group and subsidiary fact sheets
- Tailored internal investor relations training
- Induction training for new employees

Government and regulatory bodies

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

Suppliers

- Centralised negotiation process
- *Ad hoc* procurement questionnaires requesting information on suppliers' environmental, social and ethical policies

Media

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

Investors and shareholders

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

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

Rating agencies

- Four investor presentations
 - Regular email and telephonic communication
- Comprehensive investor relations website
 - Regular meetings with investor relations team, Group Risk Management and executive management
 - Tailored presentations
- Tailored rating agency booklet
- Annual and interim reports

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

STAKEHOLDERS

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 volume two of Investec's 2016 integrated annual report.

OVERVIEW

Investec has a broad-based approach to sustainability, which runs beyond recognising our own footprint on the environment and includes our many corporate social investment activities and our funding and investing activities. This is not merely for business reasons but also our recognition of a broader responsibility to our environment and society. Accordingly, sustainability 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 is evaluated and approved or declined based on 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.

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

Values and code of conduct

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. 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.

- 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 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.



Refer to pages 15 and 16 for considerations regarding human trafficking and modern slavery.

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 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 are 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

- 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 include, specifically and explicitly, 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 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, Ghana and South Africa. Investec Limited operates within the South African legislative environment and subscribes to the efficacy of local regulation. Investec Limited is also included in the JSE Socially Responsible Investment Index which recognises companies for their environmental, social and governance standards.
- **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, base load (non-coal/gas) and cogeneration 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, toll roads, roof top solar projects, telecoms projects, etc.

We require that projects comply with the applicable environmental, planning, labour and procurement laws. 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 in the table below.

RISK	MITIGATION
<ul style="list-style-type: none"> • Potential environmental issues • Protection and conservation of biodiversity • Management of dangerous substance • Pollution/emission/waste management • Contaminated land 	<ul style="list-style-type: none"> • Loan documentation/due diligence review and approval processes and ensure borrower complies with applicable environment laws in host country* • Environmental and social reporting to be included in loan covenants • 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
<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
<ul style="list-style-type: none"> • Major hazards assessment and management 	<ul style="list-style-type: none"> • Due diligence to ensure borrowers have in place effective major hazards assessment and management (e.g. ISO 14001)

* 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
- Our target clients are mostly 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 types 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 and social impacts and, if necessary, will include additional independent expert review. These internal reviews are further ratified by the executive through a robust credit process
- All compliance with local and applicable international 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

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. In addition, the scale and frequency of regulatory fines and redress orders continues to impact firm's balance sheets with the regulators' intensive and intrusive approach to supervision expected to continue for the foreseeable future.

Global regulators have continued to focus on promoting stability and resilience in financial markets, with increasing emphasis on recovery and resolution plans and structural reforms to the banking sector as well as customer and market conduct related reforms.

Investec remains focused on complying with the highest levels of compliance to professional standards and integrity in each of our jurisdictions. Our culture is a major component of our compliance framework and is supported by robust policies, processes and talented professionals who ensure that the interests of our customers and shareholders remain at the forefront of everything we do.

Investec plc – year in review

CONDUCT RISK

The FCA continues to focus on advancing its three operational objectives: securing an appropriate degree of protection for consumers; protecting and enhancing the integrity of the UK financial system; and promoting effective competition in the interest of consumers. 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' strategy. Firms are also expected to behave appropriately in the wholesale markets in which they operate.

Investec has focused over the period on delivering good customer outcomes and effectively managing conduct risk throughout our business. This has included continued and ongoing investment in and enhancement of the conduct risk and compliance frameworks in place throughout the group.

A key enhancement to our conduct framework during the period was the establishment of the Investec plc customer and market conduct committee (CMCC). The CMCC is chaired by the group CEO and is designed to ensure that Investec

maintains a client-focused culture and that each business within the group has client outcomes at the centre of their business model. The CMCC is responsible for ensuring that all interactions with the FCA across Investec Asset Management, Investec Bank plc and Investec Wealth & Investment are properly managed and that customer insights and regulatory expectations were shared between the regulated entities in the group and their subsidiaries.

CONSUMER PROTECTION

The FCA has vigorously pursued its consumer protection objective during the period. Over the past 12 months this has included issuing of significant fines and performing several strategic reviews into areas such as: product design and sales practises, provision of advice, treatment of customers who suffered unauthorised transactions and product and service suitability.

WHOLESALE MARKETS

The FCA has continued to pursue a proactive and assertive approach in identifying and addressing risks arising from firm's conduct in the wholesale markets.

This has included an increasingly intensive approach to supervisory activities and thematic reviews as well as several high profile referrals to enforcement relating to LIBOR, forex and conflicts of interest.

Wholesale markets have also been the focus of significant regulatory reform over the past 12 months. The most significant proposed reforms have included the finalisation of the incoming Markets in Financial Instruments Directive (MIFID II).

The MIFID II reform package will form a revised framework governing the requirements applicable to investment firms, trading venues, data reporting service providers and third-country firms providing investment services or activities in the EU. These reforms will drive change across Investec Bank plc, Investec Asset Management and Investec Wealth & Investment, with the majority of these reforms required to be implemented by January 2018.

Material reforms also continue to take effect in the OTC markets as a result of the EU's Market Infrastructure Regulations (EMIR) and the UK's market abuse regime.

COMPETITION

On 1 April 2015, the FCA was granted enhanced powers to promote its

competition objective alongside the newly established UK Competition and Markets Authority (the CMA). The FCA has made use of these powers during the period to carry out a number of competition market studies in areas such as: cash savings, credit cards, retail and SME banking and investment and corporate banking.

SENIOR MANAGERS AND CERTIFIED PERSONS REGIME

The FCA and PRA are putting in place a new regulatory framework for individuals working in the UK banking sector. The incoming regime will consist of three key components:

- I. A new Senior Managers Regime which will clarify the lines of responsibility within, enhance the regulators' ability to hold senior individuals in banks accountable and require banks to regularly vet their senior managers for fitness and propriety;
- II. A Certification Regime requiring firms to assess fitness and propriety of staff in positions where the decisions they make could pose significant harm to the bank or any of its customers; and
- III. A new set of Conduct Rules, which take the form of brief statements of high level principles setting out the standards of behaviour for bank employees.

Investec Bank plc has successfully implemented the core components of this regime which came into force on 7 March 2016.

STRUCTURAL BANKING REFORM

The Banking Reform Act received Royal Assent on 18 December 2013 and gave the UK authorities the powers to implement key recommendations of the Independent Commission on Banking (ICB) on banking reform, including 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.

Ring-fencing was a key area of strategic focus during the period for the largest UK banks. 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 of the ring-fencing requirement.



FINANCIAL CRIME

Financial crime continues to be a regulatory focus with regulators globally encouraging firms to adopt a dynamic approach to the management of risk and to increase efforts around systems and controls to combat both money laundering and bribery and corruption. In the past two years, the UK government made significant efforts to ramp up its capacity to enforce the Bribery Act, with notable measures including the publication of the first UK National Anti-Corruption Plan, the introduction of Deferred Prosecution Agreements (DPA) to streamline the resolution of selected corporate bribery cases, and the implementation of harsher sentencing guidelines for fraud, bribery and money laundering offences.

TAX REPORTING

The Foreign Account Tax Compliance Act (FATCA) aims to promote cross-border tax compliance by implementing an international standard for the automatic exchange of tax information relating to US investors. The provisions call on tax authorities all over the world to obtain detailed account information from financial institutions relating to US investors and exchange that information automatically with the United States Internal Revenue Service on an annual basis.

The OECD has recently taken further steps to improve global cross-border tax compliance by releasing the Common Reporting Standard (CRS). The CRS is a set of global standards for the annual exchange of financial information by financial institutions pertaining to customers, to the tax authorities of the jurisdictions in which those customers are resident for tax purposes. CRS takes effect as of 1 January 2016 in the UK, with reporting commencing from 2017.

The UK government intends to create a new corporate criminal offence of failing to prevent the facilitation of tax evasion. Draft legislation has already been published and should be finalised before the introduction of the new international automatic exchange of information arrangements in 2017.

Investec Limited – year in review

CHANGES TO REGULATORY LANDSCAPE IN SOUTH AFRICA

The South African financial sector regulatory landscape has been under review for the last few years. A new regulatory structure is

developing, and existing legislation is also being amended. Although the conduct of financial institutions is currently regulated under various pieces of legislation, and by various regulators, this will change under the new regulatory structure.

CONDUCT RISK AND CONSUMER PROTECTION

The draft Financial Sector Regulation Bill (Twin Peaks) was tabled in Parliament in the third quarter of 2015, and is currently in the Parliamentary process. The Bill is expected to be promulgated towards the latter part of 2016, and will result in affected business areas being regulated by the Prudential Authority and the Financial Sector Conduct Authority.

The Financial Advisory and Intermediary Services Act (FAIS) continues to be enforced, with added emphasis on Treating Customers Fairly. This includes the Retail Distribution Review and proposed amendments to FAIS Fit and Proper requirements and Compliance reporting. A customer and market conduct committee (CMCC) has been established for Investec Limited, as part of the conduct risk framework, with the objective to ensure that Investec Limited maintains a client-focused and fair outcomes-based culture. The CMCC is chaired by the group CEO. Conduct risk forums are being implemented across affected legal entities to ensure that identified gaps are addressed and business readiness for implementation of new regulatory requirements. The work in this regard is ongoing and will remain a focus area.

The South African Reserve Bank conducted an industry-wide review of Foreign Exchange Trading Operations in 2015. The review focused predominantly on market conduct and related governance and controls in respect of Foreign Exchange Traders' communications during 2012. There were no material findings. Investec Corporate and Institutional Banking (ICIB) implemented a Financial Markets Code of Conduct and comprehensive monitoring of traders' communications.

Amendments to the National Credit Act has increased the obligations of credit providers in respect of affordability assessments, and has extended the powers of the National Credit Regulator in respect of enforcement and rule-making powers.

A commencement date for the Protection of Personal Information Act has not been announced. The Chief Director for Legislative Development at the Department of Justice and Constitutional Development

confirmed that there will be no further developments until the Information Regulator has been established. Work continues internally on data protection and information management.

FINANCIAL CRIME

Financial crime continues to be a regulatory focus with amendments to governing legislation proposed for later this year. This legislation will change the Anti-money Laundering and Combatting of Financing of Terrorism (AML CFT) regulatory framework from a rules-based to a risk-based approach, allowing accountable institutions to determine their own risk appetite in relation to client identification and verification. All accountable institutions are further affected by the Financial Intelligence Centre's intended move to a new automated solution (GoAML) for reporting, which is scheduled to go live in April 2016.

Investec continually aims to strengthen its control environment in order to meet its regulatory obligations.

TAX REPORTING

South Africa and Mauritius have intergovernmental agreements in place with the USA and each have enacted local law/regulation to implement FATCA locally. This allows South Africa and Mauritius to be treated as participating countries. This means that financial institutions in these countries report information annually on US clients (or non-compliant clients) to the South African Revenue Services and the local Mauritian authority respectively. These authorities in turn exchange information with the USA which reciprocates with similar information (on South African and Mauritian tax residents respectively who hold financial accounts in the US).

With South Africa being an early adopter of the OECD's Common Reporting Standard (CRS), (the global version of FATCA), these requirements became effective in South Africa on 1 March 2016. South Africa has also opted for the wider approach which means all South African reporting financial institutions are required to collect tax-related information on all clients, rather than only in respect of the 55 countries which have currently opted into CRS. As for FATCA, the information is reported to SARS annually. SARS then exchanges this information with relevant countries in return for reciprocal information on South Africans with financial accounts in those countries.

Mauritius has indicated that it will opt into CRS from 2017.

Information technology (IT)

Our vision is to continuously deliver efficient and effective information technology that meets the needs of the business facilitating excellent client service, within acceptable risk tolerance.

Key infrastructure-related developments reducing our environmental footprint during the period include the following:

- Collaboration through Video Conferencing (VC), Audio Video (AV) and our Telepresence implementation across geographies, ensures effective leveraging of international teams and reduces business travel costs
- Data centre efficiencies through virtualisation continues across all geographies. The use of specialised database appliances in South Africa will reduce storage growth and improve processing capacity. This, together with the reduced footprint of new replacement technology will allow South Africa to shut down one of the data centres in our Grayston Drive building
- Efficient power consumption at the South African Midrand Alternative Processing Site (MAPS) continues with the implementation of automating the hibernation of desktop equipment during periods of low usage
- Wherever feasible, the use of cloud-based services continues to be a major consideration across all geographies and businesses in an effort to reduce physical infrastructure and energy requirements. This has been achieved in five different geographies
- The Mail in the Cloud initiative has been completed in the UK with the implementation of the Microsoft Office 365 solution and roll-out in South Africa will be completed by end of 2016
- The UK office has completed its thin desktop initiative.

Key infrastructure-related developments improving our IT efficiency during the period include:

- The implementation of a Software Asset Management (SAM) toolset continues to yield results in optimal licencing levels and effective commercial negotiations

- We continued the collaboration across geographies ensuring effective leveraging of international teams regarding specific technologies
- In South Africa, the ongoing power supply challenges has resulted in the investigation of High Availability (HA) for critical applications and a number of cross geographical recovery options.

Key business application-related developments:

- The strategy to become an internationally focused client-centric organisation continues
- Continued consolidation and merging of technology and support teams across divisions, and in some cases geographies, is gaining momentum
- This convergence will lead to opportunities to leverage resources, skills and licencing 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; and
 - simplify the environment
- The One Place initiative continues to focus on the elimination of duplicate and redundant business processes across divisions and geographies to deliver an appropriate cost-effective, global, client-friendly service through our client support centre in South Africa
- Our One Place digital offering now includes full transactional capability for Wealth & Investment South Africa, Private Banking South Africa, Private Banking UK, Wealth & Investment UK, with read-only capability for Wealth & Investment Switzerland, Wealth & Investment Channel Islands and Private Bank Channel Islands
- Our digital platforms have been launched into the UK banking client base, and Wealth & Investment UK is scheduled for launch in second quarter 2016 together with the first phase of Channel Islands
- The digital platform in South Africa has been enhanced to allow clients to incorporate externally held transactional accounts, investments and loyalty programmes to complete a One Place solution. This functionality has just been rolled out for use in the UK
- The next iteration of our unified Intermediary offering is scheduled for launch in second quarter 2016, and the new version will be available to intermediary clients of Wealth & Investment UK
- An online discretionary management service for the South African client base has also been incorporated, with the ability to invest in a suite of Tax Free Savings accounts. Online Apply (eliminating paper) for a suite of banking and savings products in both South Africa and the UK is now available to clients. Major initiatives now include a robo-advisor (automated online financial advisor) for the UK market, Digital Briefcase, self-service document generation, international payments and further enhancements to the online apply, online portfolio management and Investec suite of applications
- Wealth & Investment in South Africa, UK, Mauritius and Switzerland have partnered to provide a single leveraged platform for international trading and investment management to South African clients. Platforms and operations are run out of the UK and Switzerland businesses
- International payments capability has been added into our online platforms for South Africa, UK, Channel Island and Mauritius clients, with the additional benefit of an automated Balance of Payments (BOP) process for South African clients achieving a near-paperless process
- The payments architecture has been revised to eliminate duplicate payment environments and processes in the bank
- In the UK, the drive to move clients onto online banking, online processing and electronic statement distribution for our Private Banking, Mortgage and Asset Finance businesses remains a high focus area

- In the South African home loan business, property valuations below a specific value are automated, drastically reducing turnaround times and eliminating the need to physically visit property sites.

Security and risk management:

- We continue to enhance security and risk management functions based on clear strategies supported by a targeted architecture to ensure alignment and coordination across all geographies
- This is aimed to meet the ever-growing demands of our threat landscape and we continue to place emphasis on collaborative, proactive risk and security management.

Cybercrime

The group continues to experience an escalation in attempted IT fraud and other forms of cybercrime. Considerable effort and time have been devoted by management to ensure that IT controls are robust and appropriate solutions are deployed to protect the group from increased threat levels. In the latter part of 2015, we engaged an independent specialist company to conduct a simulated real world cyberattack against the group. While certain technical weaknesses were identified, the conclusion of the testers was that our ability to detect and respond to a targeted attack is above average, compared against our peers. Remedial steps are being taken to address the weaknesses and our security controls are continually enhanced, in response to the evolving threat landscape. These exercises will be conducted on a regular basis.

Procurement

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 doesn't 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.

In South Africa 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.

In South Africa we 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.

Six

Snapshot of
regions





We care about our COMMUNITIES








Focus on education and entrepreneurship to create opportunities for employment, wealth creation and to stimulate long-term economic growth



We care about our ENVIRONMENT

OPERATIONAL FOOTPRINT	GREEN BUSINESS	CONSERVATION
		
We minimise our consumption and focus on raising awareness	We fund green investments and developments, looking for smart sustainable green solutions	We support conservation through strategic partnerships that our staff are passionate about
↓	↓	↓
JSE SRI 2004 A constituent of the JSE Socially Responsible Investment Index Develop our environmental philosophy	THINK 15% MORE 2008 Launch the 'Think 15% More' campaign to create awareness on the need to change consumption behaviour	ENERGY TARGET 2009 Submit first response to the Carbon Disclosure Project (CDP) 2011, Investec signs up to the Nations Energy Efficiency Accord which commits the group to a 12% reduction in energy by 2015 Invest R4.6 million in green building initiatives
DOW JONES 2006/7 Becomes a constituent of the Dow Jones Sustainability Investment Index Embark on a greater and more collective process of measuring consumption		

CLIMATE CHANGE

2010/11

Management dialogue the various perceived risks and opportunities relating to climate change

Scheme established for staff to apply for financing for the installation of solar water geysers

FOOTPRINT

2013

Campaigns run in recognition of Earth Hour, Earth Day, National Water Week and Arbor Week

Receive two awards from Carbon Disclosure Project

RECOGNITION

2015



Recognised as one of three industry leaders in DJSI Emerging Markets and make A list of CDP out of 113 companies globally

Aurora Wind Farm (funded by Investec) starts production. Producing energy to power 110 000 low income houses for the next 20 years. 600 jobs created. 5.6 million tonnes of CO₂ offset

GREEN COMMUNITY

2014



Renewable energy technologies and recycling initiatives implemented at Sandown High School

Alternative transport campaign encourages staff to reduce emissions from travel

BIRDLIFE SOUTH AFRICA

2012



Partner with BirdLife South Africa to fund research

Launch Rhino Lifeline in response to the rhino poaching crisis

Launch Tops and Tags campaign which enables wheelchairs to be donated to charities – 33 to date



Corporate social INVESTMENT

INVESTEC 2 GRESHAM STREET head office is certified to internationally recognise environmental standard ISO 14001. Team Green, our team of environmental champions, was established in London in 2006

ENERGY

We have reduced our CO₂e emissions from electricity by 28% and from gas by 35% since 2008/9, saving £1.65 million in the process.

WASTE

We actively promote the Waste Hierarchy and have a zero-to-landfill policy. We recycle 76% of our waste, 42% being food waste which is turned into biofuel.

WATER

We use a sophisticated on-site water purification and filtration system for our drinking water.

AIR QUALITY

The Air We Share campaign was launched to raise awareness around air pollution in the city, advising staff how to protect themselves from air pollution and how to avoid adding to it. The air quality within our building is constantly tested.



SUCCESS FOR LIFE YOUTH TALENT DEVELOPMENT

Arrival Education Life Skills workshops

- 1-to-1 coaching investment programme
- Students placed in graduate roles at Investec



LOCAL SCHOOLS

Amherst, Morpeth, Marino

- Target students at risk of disengaging from education
- Raise aspirations, increase academic performance
- Employability training and work experience



BEYOND BUSINESS

Bromley by Bow Centre

- Social enterprise incubation programme
- Seed-funding and business support for entrepreneurs
- 60 new social businesses, 330 new jobs
- £5 million combined annual turnover



GREEN SPACES

Newham City Farm, Edinburgh Lothian's Greenspace Trust, Trees for Cities

- Outdoor maintenance
- Improve communities' experience of their environment



Corporate social INVESTMENT

INVESTEC AUSTRALIA focuses on a small number of philanthropic sponsorship and volunteering initiatives. We partner with local entrepreneurial organisations that perform important work within the community

We focus on four main initiatives

1

ABCN
MENTORING PROGRAMMES
WITHIN LOCAL SCHOOLS

Investec mentors donate time to students from high-need schools



2

ICARE
STAFF COMMUNITY
VOLUNTEERING DAY

Staff volunteer for a day at the RSPCA and the Exodus Foundation



3

THE AUSTRALIAN RHINO
PROJECT

Aiming to move a herd of 80 rhino to Australia over the next four years as an insurance population for the species



4

INVESTEC YOUNG
ENTREPRENEURS PROGRAMME
PARTNER WITH INVESTEC SA
AND UK

Seven Australians attend the Global Young Treps programme to Israel





Corporate social INVESTMENT

Our Corporate Social Investment programme reflects our goal of making
A POSITIVE CONTRIBUTION TO THE MAURITIAN COMMUNITY AND ITS ENVIRONMENT

We achieve this by supporting sustainable projects that make a meaningful difference in education, the environment and sports development

We allocate 10% of our CSI budget to philanthropic projects that may fall outside our key focus areas which allow us to make an impact on other worthy causes. Investec staff are actively encouraged to participate in our CSI projects by giving their time to assist in various project activities. Our CSI projects focus on communities and beneficiaries who are financially disadvantaged.



Education: Investec has supported TIPA at the Guy Rozemont Government School in Tranquebar since 2010. TIPA focuses on building critical life skills of vulnerable children by using innovative teaching strategies in art and drama

Seven

Appendix





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 2016 sustainability report of Investec Limited and Investec plc (Investec) for the year ended 31 March 2016 (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 G4 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 waste) Office space per 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 (Rands and 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 (Rands and 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 (Rands) Australia CSI spend per focus area of spend (Australian Dollars)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for the selection, preparation, and presentation of the key performance indicators in accordance with Global Reporting Initiative's G4 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.

Independent assurance statement

(continued)

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 key performance indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised), 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 key performance indicators 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 KPI's internal controls risk assessment process information systems relevant to sustain report process as we considered necessary
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs
- Performed walkthroughs
- 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 ended 31 March 2016 are not prepared, in all material aspects, in accordance with the Global Reporting Initiative's G4 Reporting Guidelines and the Greenhouse Gas Protocol Corporate Standard.



Grant Thornton Johannesburg Partnership

Director: Theunis Schoeman
Chartered Accountant (SA)

30 June 2016

52 Corlett Drive
Illovo
2196



Investec's 2016 integrated annual report is based on the G4 guidelines

STRATEGY AND ANALYSIS				
G4.1	Core	Statement by the CEO		Sustainability report: Page 6.
G4.2		Key impacts, risks and opportunities		Integrated annual report: Volume one, pages 38 to 48. Financial review. Sustainability report: Pages 3 to 7. Sustainability at Investec.
ORGANISATIONAL PROFILE				
G4.3	Core	Name of the organisation		Investec.
G4.4	Core	Primary brands, products and services		Integrated annual report: Volume one, pages 12 to 15. Sustainability report: Page 1. About the Investec group.
G4.5	Core	Location of headquarters		Integrated annual report: Volume one: Inside back cover. Our headquarters are in Johannesburg for our Southern African operations and in London for our UK and Other operations.
G4.6	Core	Countries where organisation operates		Integrated annual report: Volume one, pages 19 to 21. Operational footprint.
G4.7	Core	Nature of ownership and legal form		Integrated annual report: Volume one, page 11. Operational structure. Volume one, pages 136 to 140. Shareholder analysis.
G4.8	Core	Markets served (including geographical breakdown, sectors and type of customers)		Integrated annual report: Volume one, pages 19 to 21. Operational footprint.
G4.9	Core	Scale of reporting organisation		Integrated annual report: Volume one, pages 19 to 21. Operational footprint.
G4.10	Core	Workforce		Sustainability report: Pages 13 and 15. Number of employees is shown by division and by geography. Permanent, temporary and contractors are split.
G4.11	Core	Percentage of employees covered by collective bargaining agreements		Sustainability report: Page 15. Freedom of association.
G4.12	Core	Supply chain		Integrated annual report: Volume one, pages 12 to 21. Sustainability report: Page 1.
G4.13	Core	Significant changes regarding size, structure or ownership of the supply chain		Integrated annual report: Volume one, pages 5 to 10. Highlights. Pages 22 to 25. Operational and strategic report.
G4.14	Core	Application for precautionary approach		Integrated annual report: Volume two, pages 15 to 18. Risk management, credit and counterparty risk management.
G4.15	Core	Endorsement to external charters, principles or initiatives		Sustainability report: Page 4. Sustainability membership.
G4.16	Core	Membership of associations		Sustainability report: Page 4. Sustainability membership.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4.17	Core	Entities included in the financial statements and which of these are not included in the sustainability report		Integrated annual report: Volume one, page 11. Operational structure. Investec Import Solutions (Pty) Ltd is excluded from the sustainability report as this is a new acquisition. This will be included in the next financial year.
G4.18	Core	Process for defining report content and aspect boundaries		Integrated annual report: Volume one, page 144. Corporate Responsibility. Sustainability report: Page 7. Sustainability in an Investec context.
G4.19	Core	List all identified material aspects		Sustainability report: Page 7.
G4.20	Core	For each material aspect-boundary within organisation		Sustainability report: Inside front cover. Scope of reporting section.

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES (continued)

G4.21	Core	For each material aspect – boundary outside organisation	Sustainability report: Inside front cover. Scope of reporting. Sustainability report relates to all operations and geographies section.
G4.22	Core	Effect of and reason for any restatement	There have been no restatements for the financial year ending 31 March 2016.
G4.23	Core	Significant changes in scope and boundaries	Integrated annual report: Volume one, page 1. Ongoing and statutory information.

STAKEHOLDER ENGAGEMENT

G4.24	Core	List of stakeholder groups engaged	Integrated annual report: Volume one, page 141. Sustainability report: Page 38. Communication and stakeholder engagement.
G4.25	Core	Basis for identification/selection of stakeholders	Integrated annual report: Volume one, page 141. Sustainability report: Page 38. Communication and stakeholder engagement.
G4.26	Core	Approach to stakeholder engagement	Integrated annual report: Volume one, page 141. Sustainability report: Page 38. Communication and stakeholder engagement.
G4.27	Core	Key topics and concerns raised by stakeholders and response in reporting	Integrated annual report: Volume one, page 141. Sustainability report: Page 38. Communication and stakeholder engagement.

REPORT PROFILE

G4.28	Core	Reporting period	1 April 2015 to 31 March 2016.
G4.29	Core	Date of most recent previous report	31 March 2015.
G4.30	Core	Reporting cycle	Annually.
G4.31	Core	Contact person for inquiries	See contact details. Sustainability report: Page 72.
G4.32	Core	GRI context index	This table.
G4.33	Core	Policy and practice regarding external assurance	Integrated annual report: Volume one, page 143. Sustainability report: Inside front cover. Assurance.

GOVERNANCE

G4.34	Core	Governance structure of the organisation, including committees responsible for decisions on economic, environmental and social (sustainability) impacts	Integrated annual report: Volume one, pages 110 to 140. Corporate governance.
G4.35		Process for delegating authority for sustainability topics	Integrated annual report: Volume one, pages 132 and 133. Corporate governance report, DLC social and ethics committee.
G4.36		Executive level position for sustainability topics	Integrated annual report: Volume one, pages 132 and 133. Corporate governance report, DLC social and ethics committee.
G4.37		Process for consultation between stakeholders and board on sustainability topics	Integrated annual report: Volume one, page 141. Sustainability report: Page 38. Communication and stakeholder engagement.
G4.38		Composition of highest governance body (board) and committees	Integrated annual report: Volume one, pages 110 to 140. Corporate governance.



Global Reporting Initiative (GRI) Index

(continued)

GOVERNANCE (continued)

G4.39	Is chair also CEO	Integrated annual report: Volume one, pages 112 and 113. Statement of compliance.
G4.40	Nomination and selection process for board and its committees and criteria used	Integrated annual report: Volume one, pages 119 to 121. Corporate governance report, DLC nominations and directors' affairs committee (NOMDAC).
G4.41	Process to avoid and manage conflict of interest	Integrated annual report: Volume one, page 124. Conflict of interest.
G4.42	Boards role in development, approval and updating organisation's purpose, value or mission statement, strategies, policies and goals related to sustainability impacts	Integrated annual report: Volume one, pages 132 and 133. Social and ethical responsibility.
G4.43	Measures to develop and enhance board's knowledge on sustainability topics	Integrated annual report: Volume one, page 119. Ongoing development.
G4.44	Process for evaluation of board's performance with regard to governance of sustainability topics, and actions taken	Integrated annual report: Volume one, page 119. Corporate governance report, board and directors' performance evaluation.
G4.45	Board's role in identification and management of sustainability impacts, risks and opportunities, and stakeholder consultation in process	Integrated annual report: Volume one, pages 132 and 133. Corporate governance report, DLC social and ethics committee.
G4.46	Board's role in reviewing effectiveness of risk management processes for sustainability topics	Integrated annual report: Volume one, pages 132 and 133. Social and ethical responsibility. Integrated annual report: Volume two, page 16. Sustainability considerations.
G4.47	Frequency of board's review of sustainability impacts, risks and opportunities	Integrated annual report: Volume one, pages 132 and 133. Corporate governance report, DLC social and ethics committee.
G4.48	Highest committee or position that formerly approves the sustainability report	Integrated annual report: Volume one, pages 132 and 133. Social and ethical responsibility.
G4.49	Process of communicating critical concerns to board	Integrated annual report: Volume one, page 141. Communication and stakeholder engagement. Sustainability report: Page 38. Communication and stakeholder engagement.
G4.50	Nature and number of critical concerns that were communicated to the board, and mechanisms used to address/resolve them	No critical concerns were raised during the reporting year ending 31 March 2016. Integrated annual report: Volume one, pages 132 and 133. Social and ethical responsibility.
G4.51	Remuneration policies for board and senior executives, and how performance criteria relates to sustainability objectives	Integrated annual report: Volume one, pages 160 to 201. Remuneration report.
G4.52	Process of determining remuneration	Integrated annual report: Volume one, pages 160 to 201.
G4.53	How are stakeholders' views sought and taken into account regarding remuneration	Integrated annual report: Volume one, page 141. Communication and stakeholder engagement. Sustainability report: Page 38. Communication and stakeholder engagement.
G4.54	Ratio of annual total compensation for highest-paid individual to the median annual total compensation for all employees (highest-paid individual), in each country of significant operations	Integrated annual report: Volume one, pages 160 to 201. Remuneration report.
G4.55	Ratio of percentage increase in annual total compensation for highest-paid individual to the median percentage increase for all employees (excluding highest-paid individual), in each country of significant operations	Integrated annual report: Volume one, pages 160 to 201. Remuneration report.

ETHICS AND INTEGRITY

G4.56	Core	Organisation's values, principles, standards and norms of behaviour	Integrated annual report: Volume one, pages 12 and 13. About Investec group. Page 112. Corporate governance report, our culture and values. Sustainability report: Page 1. About the Investec group.
G4.57		Internal and external mechanisms for seeking advice on ethical and lawful behaviour (e.g. helplines or advice lines)	Integrated annual report: Volume one, page 149. Sustainability report: Page 16. Whistle-blowing policy and protective disclosure.
G4.58		Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour (e.g. escalation through line management, whistle-blowing or hotlines)	Integrated annual report: Volume one, page 149. Sustainability report: Page 16. Whistle-blowing policy and protective disclosure.

ECONOMIC

ECONOMIC PERFORMANCE

G4.EC1		Direct economic value generated such as revenues and economic value distributed in terms of operating costs, employee wages and benefits, payments to providers of capital and payments to governments and community investments economic value retained	Integrated annual report: Volume one, page 10. Sustainability report: Page 5. Value added statement.
G4.EC2		Financial implications and other risks and opportunities for the organisation's activities due to climate change	Integrated annual report: Volume one, pages 22 to 25. Operational and strategic review.
G4.EC3		Coverage of the organisation's defined benefit plan obligations	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.
G4.EC4		Financial assistance received from government	No financial assistance was received from the government.

MARKET PRESENCE

G4.EC5		Ratios of standard entry level wage by gender 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.
G4.EC6		Proportion of senior management hired from the local community at significant locations of operation	Integrated annual report: Volume one, pages 145 to 149.

INDIRECT ECONOMIC IMPACTS

G4.EC7		Development and impact of infrastructure investments and services provided	Integrated annual report: Volume one, page 10. Highlights.
G4.EC8		Significant indirect economic impacts, including the extent of impacts	Integrated annual report: Volume one, page 10. Highlights.

PROCUREMENT PRACTICES

G4.EC9		Proportion of spending on local suppliers at significant locations of operations	In South Africa 90% of our third party procurement spend is from local suppliers.
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Global Reporting Initiative (GRI) Index

(continued)

ENVIRONMENTAL		
MATERIALS		
G4.EN1	Materials used by weight and volume (Non-renewable and renewable)	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts.
G4.EN2	Percentage of materials used that are recycled input materials	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts.
ENERGY		
G4.EN3	Energy consumption within the organisation	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts.
G4.EN4	Energy consumption outside of the organisation	Not applicable for Investec.
G4.EN5	Energy intensity	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts.
G4.EN6	Reduction of energy consumption	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts.
G4.EN7	Reduction in energy requirements for products and services	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts.
WATER		
G4.EN8	Total water withdrawal by source	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts.
G4.EN9	Water sources significantly impacted by withdrawal of water	Not applicable for Investec.
G4.EN10	Percentage of total water recycled and reused	Sustainability report: Pages 32 to 36. Planet section: Direct operational impacts for details on initiatives to reduce water usage. Investec does not recycle water.
BIODIVERSITY		
G4.EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable for Investec which operates within urban locations where biodiversity impacts are minimal.
G4.EN12	Description of significant impacts of activities, products, and services in biodiversity in protected areas and areas of high biodiversity value outside protected areas	As a financial services provider we do not have a direct impact. However, through our project finance and property business we ensure that environment impact assessments are completed for transactions.
G4.EN13	Habitats protected and restored	Sustainability report: Page 31. Plant section: Conserving the environment.
G4.EN14	Total 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		
G4.EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Integrated annual report: Volume one, page 153. Sustainability report: Page 33. Carbon footprint for the group.
G4.EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Integrated annual report: Volume one, page 153. Sustainability report: Page 33. Carbon footprint for the group.

EMISSIONS (continued)

G4.EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Integrated annual report: Volume one, page 153. Sustainability report: Page 33. Carbon footprint for the group.
G4.EN18	Greenhouse gas (GHG) emissions intensity	Integrated annual report: Volume one, page 153. Sustainability report: Page 33. Carbon footprint for the group.
G4.EN19	Reduction of greenhouse gas (GHG) emissions	Integrated annual report: Volume one, page 153. Sustainability report: Page 33. Carbon footprint for the group.
G4.EN20	Emissions of ozone-depleting substances (ODS)	Not relevant.
G4.EN21	NOX, SOX, and other significant air emissions	Not relevant.

EFFLUENTS AND WASTE

G4.EN22	Total water discharge by quality and destination	Not relevant.
G4.EN23	Total weight of waste by type and disposal method	Not relevant.
G4.EN24	Total number and volume of significant spills	Not relevant.
G4.EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention 2 annexure I, II, III and VIII, and percentage of transported waste shipped internationally	Not relevant.
G4.EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff	Not relevant.

PRODUCTS AND SERVICES

G4.EN27	Extent of impact mitigation of environmental impacts of products and services	Sustainability report: Pages 39 to 42. Corporate governance and risk.
G4.EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Not relevant.

COMPLIANCE

G4.EN29	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.
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TRANSPORT

G4.EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce	Not relevant.
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OVERALL

G4.EN31	Total environmental protection expenditures and investments by type	Sustainability report: Pages 28 to 36. Planet section: Green business. Conserving the environment and direct operational impacts.
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SUPPLIER ENVIRONMENTAL ASSESSMENT

G4.EN32	Percentage of new suppliers that were screened using environmental criteria	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.
G4.EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.

ENVIRONMENTAL GRIEVANCE MECHANISMS

G4.EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	There were no grievances filed with regards to environmental impacts for the reporting year ending 31 March 2016.
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SOCIAL

LABOUR PRACTICES AND DECENT WORK

Employment

G4.LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Integrated annual report: Volume one, page 146. Sustainability report: Page 13. Corporate responsibility.
G4.LA2	Benefits provided to full time employees that are not provided to temporary or part time employees, by significant locations of operations	Integrated annual report: Volume one, pages 160 to 201. Remuneration report. Benefits are broken down by gross remuneration, variable short-term incentives by division and variable long-term incentive plans.
G4.LA3	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.

Labour/management relations

G4.LA4	Minimum notice periods regarding operational changes, including whether these are 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.
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Occupational health and safety

G4.LA5	Percentage of total workforce represented informal 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 one, page 149. Sustainability report: Page 15. Health and Safety.
G4.LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	As a bank, work-related diseases and fatalities are not a common occurrence and we therefore do not report on this.
G4.LA7	Workers with high incidence or high risk of diseases related to their occupation	Integrated annual report: Volume one, page 149. Sustainability report: Page 15. Health and Safety.
G4.LA8	Health and safety topics covered informal agreements with the trade unions	There is no representative trade union for Investec; G4.LA8 is therefore not applicable.
G4.LA9	Average hours of training per year per employee by gender, and my employee category	We do not show average hours of training per year per employee and by employee category. Integrated annual report: Volume one, page 147. Sustainability report: Page 14. Group training spend split by geography and division.

LABOUR PRACTICES AND DECENT WORK (continued)

Training and education

G4.LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Integrated annual report: Volume one, page 146. Sustainability report: Page 13. Employee strategy section.
G4.LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Integrated annual report: Volume one, page 147. Sustainability report: Page 13. Performance review process. 100% – this is part of the remuneration and performance evaluation procedure for annual increases and bonuses.

Diversity and equal opportunity

G4.LA12	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 one, page 148. Sustainability report: Page 15. Employee gender composition.
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Equal remuneration for women and men

G4.LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	We do not disclose this information. Investec is committed to principles of equality and has relevant employment policies and practices in place.
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Supplier assessment for labour practices

G4.LA14	Percentage of new suppliers that were screened using labour practices criteria	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.
G4.LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.

Labour practices grievance mechanisms

G4.LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	There were no grievances filed regarding labour practices for the reporting year ending 31 March 2016.
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HUMAN RIGHTS

Investment

G4.HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human right screening	Sustainability report: Page 28. Influencing behaviour through knowledge and control.
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HUMAN RIGHTS (continued)

Investment (continued)

G4.HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Sustainability report: Page 14. 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.
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Non-discrimination

G4.HR3	Total number of incidents of discrimination and corrective actions taken	There has been no recorded incidence of discrimination in any of our businesses. Sustainability report: Page 15.
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Freedom of association and collective bargaining

G4.HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Sustainability report: Page 15. Working at Investec. 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.
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Child labour

G4.HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute the effective abolition of child labour	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.
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Forced or compulsory labour

G4.HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory, and measures to contribute to the elimination of all forms of forced or compulsory labour	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.
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Security practices

G4.HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures 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.
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Indigenous rights

G4.HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	No incidents relating to indigenous rights occurred during the reporting year.
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Assessment

G4.HR9	Total number of percentage of operations that have been subject to human rights review or impact assessments	Sustainability report: Page 15. Human rights which covers 100% of our operations.
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Supplier human rights assessment

G4.HR10	Percentage of new suppliers that were screened using human rights criteria	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.
G4.HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.

Human rights grievance mechanisms

G4.HR12	Number of grievances about human rights impacts files, addresses and resolved through formal grievance mechanisms	There were no grievances filed regarding human rights impacts for the reporting year ending 31 March 2016.
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SOCIETY		
Local communities		
G4.S01	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Integrated annual report: Volume one, pages 150 to 152. Sustainability report: Pages 18 to 26. Corporate responsibility, corporate social investment.
G4.S02	Operations with significant actual and potential 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, for example, our property developments or project finance type transactions. In these instances, all required community impact assessments are done and community engagements are performed.
Anti-corruption		
G4.S03	Total number and percentage of operations assessed for risk related to corruption and the significant risks identified	Integrated annual report: Volume two, pages 74 to 77. Operational risk. 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.
G4.S04	Communication and training in anti-corruption policies and procedures	Integrated annual report: Volume two, pages 74 to 77. Operational risk. All Investec employees are responsible for compliance and risk management and therefore each employee has a responsibility to stay updated 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.
G4.S05	Confirmed incidents of corruption and actions taken	Integrated annual report: Volume two, pages 74 to 77. Operational risk. 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.
Public policy		
G4.S06	Total value of political contributions by country and recipient/beneficiary	Investec plc did not make any donations for political purposes in the UK or the rest of the EU, nor did it make any political donations to political parties or other political organisations, or to any independent election candidates, or incur any political expenditure during the year. Investec Limited made political donations totalling R1.5 million in 2016 (2015: R1 million). Investec Limited annual report: Page 122.
Anti-competitive behaviour		
G4.S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No legal actions have been taken against Investec for anti-competitive behaviour.
Compliance		
G4.S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Integrated annual report: Volume two, pages 100 and 101. Sustainability report: Pages 43 and 44. Compliance. No significant fines.

SOCIETY (continued)

Supplier assessment for impacts on society

G4.SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.
G4.SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Sustainability report: Page 46. Procurement. Only screened in our South African operations and we will look to extend this screening to the UK in the next financial year.

Grievance mechanisms for impacts on society

G4.SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	There were no grievances filed regarding impacts on society for the reporting year ending 31 March 2016.
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PRODUCT RESPONSIBILITY

Customer health and safety

G4.PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Not relevant given the services based nature of Investec's offerings.
G4.PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts or products and services during their life cycle, by type of outcomes	Not relevant given the services based nature of Investec's offerings.

Product and service labelling

G4.PR3	Type of product and service information required by the organisation's procedure for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Integrated annual report: Volume two, pages 100 and 101. Sustainability report: Pages 43 and 44. Compliance.
G4.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 two, pages 100 and 101. Sustainability report: Pages 43 and 44. Compliance.
G4.PR5	Results of surveys measuring customer satisfaction	<ul style="list-style-type: none"> Investec private banking won two Global Visa Service Quality Performance awards for its Private Bank Account card. For the third year running, Investec has been internationally recognised by the Financial Times of London as the best private bank and wealth manager in South Africa.

Marketing communications

G4.PR6	Sale of banned or disputed products	<p>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.</p> <p>Integrated annual report: Volume two, pages 100 and 101. Sustainability report: Pages 43 and 44. This is also monitored through compliance conducted at both the group and divisional levels.</p>
G4.PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorships by type of outcomes	There were no incidents of non-compliance with regulations or voluntary codes concerning marketing communications.

PRODUCT RESPONSIBILITY (continued)

Customer privacy

G4.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.
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Compliance

G4.PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There have been no incidents of non-compliance with laws and regulations concerning the provision and use of products and services.
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FINANCIAL SERVICES SECTOR SPECIFIC DISCLOSURES

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 two, page 16. Sustainability considerations. Sustainability report: Pages 39 to 42. 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 two, page 16. Sustainability considerations. Sustainability report: Pages 39 to 42. 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 one, pages 19 to 22. 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	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	Sustainability report: Pages 39 to 42. Corporate governance and risk.
FS11	Percentage of assets subject to positive and negative environmental or social screening	Not calculated. However, we have an ESG system in place in our asset management business. Sustainability report: Page 28. Influencing behaviour through knowledge and control.



Global Reporting Initiative (GRI) Index

(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 28. Planet, Indirect impact. Investec Asset Management webpage on stewardship http://www.investecassetmanagement.com/south-africa/individual-investor/document/pdf/Investec-Stewardship-Policy.pdf . Product responsibility society performance indicators.
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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.
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PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

FS16	Initiatives to enhance financial literacy by type of beneficiary	Sustainability report: Pages 18 to 26. Supporting our communities.
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Below is a list of most 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 realigned, 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. It uses a range of modular interventions and activities that can be tailored together to address specific diversity issues and multicultural needs with different environments inside the bank. It also draws on both internal and external expert facilitators and speakers to deliver the various components.

Employee wellness

In line with Investec's core value of care and concern for employees as well as its philosophy that healthy people create, sustain and grow healthy businesses, the group extends to all employees the benefit of a comprehensive wellness programme.

This programme which provides professional assistance to employees in dealing with and overcoming complex

personal, interpersonal and work-related stressors and challenges. In addition to facilitating emotional well-being, the Employee Assistance Programme enables physiological wellness through professional weight management, optimal nutrition, exercise biokinetics and smoking cessation interventions.

The Employee Assistance Programme is outsourced to Maureen Kark and Associates – a professional corporate wellness consultancy specialising in the provision of employee wellness services to organisations. Employees are assured of complete confidentiality and impartiality when utilising services.

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 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.



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