



Our business responsibility report 2007

About this report

This report presents our approach to sustainability and uses the Sustainability Reporting Guidelines of the Global Reporting Initiative (G3) for guidance on reporting criteria. A [GRI Index](#) is located towards the end of this report. The report focuses on reporting issues of material interest. We have allocated ourselves a self-rating of B.



We recently introduced a new sustainability philosophy called Our Business Responsibility, and we have used this as a basis on which to report this year. We have adopted a question and answer format, to give readers an initial take on what Our Business Responsibility means to our business. People unfamiliar with previous communication on our sustainability approach, or those seeking additional background information, will be referred to archived sustainability reports.

This report will no longer be called a sustainable development report but rather known as Our Business Responsibility Report.

To minimise our paper consumption, we no longer distribute hard copies of this report. A chapter on Our Business Responsibility has been incorporated into the [2007 Investec Annual Report](#), with links to this electronic report.

Internal Audit statement

Investec Internal Audit performed a limited review of the statements and quantitative data contained in the 2007 Our Business Responsibility report (OBR). The review covered the following sections of the OBR report i.e. Employees, Corporate Social Investment and the Environmental Statistics table. Based on the results of our work performed, in our opinion the sustainability report:

- is a fair statement of the Investec's corporate responsibility policies and initiatives; and
- the quantitative data in the OBR report is free from material misstatement.

Contact

For any queries on the 2007 Our Business Responsibility Report or any other sustainability issues within Investec, please contact:

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Introducing Our Business Responsibility

Taking stock

During the reporting period, we thought afresh about sustainability and our obligations in this regard. We had spent the past several months observing international developments, where momentum relating to climate change, especially, had grown, and where businesses, selectively, had begun to vocalise a response. We had also noted the changing economic dynamics relating to sustainability matters. The emergence of ethical consumerism, for instance, coincided with a greater effort by business to embrace the opportunities, and risks, associated with first-mover advantage in the largely unexplored commercial territory represented by the environment.

We recognised that the time for prevaricating on the issue of environmental sustainability was fast coming to an end. Since we had previously regarded sustainability in the non-financial sense as being almost exclusively synonymous with corporate social investment, we knew that in tackling sustainability afresh, we had to return to first principles.

Consequently, we revisited who we are and what our core purpose is. Greater clarity on this would foster the subsequent evolution of a more considered, concerted approach on how to take sustainability forward within Investec.

Our historic approach

Sustainability has, however, always been a focus for us. Our grasp of how to manage our operating environment and ensure sustained financial success is indicated by our substantial efforts in recent years towards:

- Creating a balanced portfolio of businesses
- Attaining our financial objectives
- Maintaining strongly entrenched internal practices of corporate governance, risk management and people development

We have also understood equally well the importance of giving back to the communities in which we operate. Our traditional focus on non-financial issues has tended to be driven out of our home base in South Africa and concentrated on the backlog of socio-economic needs in the country.

Our social investment activities take into account the desire to do the right thing and adopt an entrepreneurial approach, and include groundbreaking work on

- CIDA City Campus and The Business Place, which has won us many accolades, and
- Black economic empowerment (BEE) in South Africa. We were the first bank in South Africa to effect change at an ownership level, before the Financial Sector Charter came into being. We have also become a recognised leader in the identification, financing, creation and replication of BEE platforms

For our non-South African businesses, sustainability has tended to concentrate on the need to grow, build critical mass and ensure the successful integration of businesses acquired. A sustainability mindset beyond the financial has not really had the chance to be developed. This makes it all the more gratifying that our UK business last year, despite the absence of a formalised group approach, won the prestigious City of London prize for best of breed practices in the field of waste management.



Moving forward

In considering what sustainability means for Investec, we recognise that we have already accomplished a lot. The missing element, however, is the environment, with which we have really only flirted in the past. The time for a greater focus seemed appropriate. Our non-South African businesses had grown sufficiently to be able to think more broadly about sustainability. These businesses were also urging the importance of environmental considerations as, outside South Africa, environmental sustainability has become the prevailing political mantra.

When considering our core purpose, we factored in the potential for banks to unlock finance to assist in providing answers to the world's pressing problems, as well as our own ability to be entrepreneurial, add value and unlock potential. We factored in our own track record of going for the gap, and sought to identify whether a more integrated sustainability approach might allow us to do so again.

Finally, however, we agreed that our mandate is best represented by our desire to create sustained wealth for shareholders and stakeholders, and to use our entrepreneurial skills base to foster, finance and reproduce these skills in others. We identified that:

- We are not in the market for virtue, for virtue's sake
- There are abundant different facets to sustainability, all diverse and manifold, which we probably cannot tackle equally, or all at once
- We would rather leverage our existing skills base to be a force for good, since this had already underpinned our financial sustainability for so long

We then identified the key national priorities for each of our principal geographies. As clear areas of commonality existed across our international businesses, we were able to devise an overall sustainability philosophy for the group.

How far did we agree we were prepared to go in our sustainability approach? In determining the scope of our endeavours, should we just do the basics (meet legal and compliance requirements), go the extra mile (more than merely ticking the box) or seek to exert leadership (influence prevailing thinking)?

We concluded that none of these needed to be mutually exclusive and that it might be appropriate for us to take a leadership position in some areas, while doing the basics in others. For instance, as the first bank to effect BEE change at ownership level, this represents a clear instance of our being willing to take a leadership position. Similarly, our willingness to assume a leadership role is also shown by our founding partner involvement with CIDA City Campus and our development of The Business Place hubs for entrepreneurs.

We also concluded that, in driving forward sustainability within Investec, we needed to allow the different geographies and business units to determine their own areas of emphasis. Rather than on a top-down basis, sustainability must be allowed to evolve in line with differing business unit requirements. Our UK and Australian businesses may therefore put climate change high on the agenda, while South Africa may concentrate on socio-economic issues such as alleviating poverty, tackling unemployment and providing educational initiatives to equip the youth to meet the demands of the marketplace.

Finally, we also changed the type of language we use on sustainability, with a view to making it more user-friendly and relevant to our business. From now on, sustainability for Investec is Our Business Responsibility. This will extend to a range of financial and non-financial considerations, including, for the first time, our physical and natural environment.

Getting to grips with the environment

We are still familiarising ourselves with what the environment should mean to a specialist investment banking group and have not adopted any inviolable commitments on this front. We will allow our environmental



conscience to evolve and have not yet determined whether our obligations should extend to more than doing the basics i.e. seeking to reduce our own consumption of scarce natural resources.

Our initial approach has been to create internal awareness on our environmental impact, to foster dialogue and to identify some quick wins in reducing our overall footprint. In South Africa, we launched a “Think 15% More” campaign at the end of the reporting period. Designed to sensitise our employees to environmental sustainability and to introduce the need for behavioural change, we identified reduced paper consumption as the first internal objective. The reduction of our environmental footprint will mean much more over time, and we have begun exploring what else we can do.

In determining our environmental emphasis, we allow for the possibility that, as our businesses move beyond an initial awareness of environmental sustainability, there may be scope for leadership opportunities to emerge, whether in the design of new products or the exploitation of emerging commercial opportunity. For example, although not driven by sustainability, our adoption of a strategic position in the alternative energy sector was motivated by an appreciation of potential commercial opportunity.

In the past 18 months, international momentum around environmental sustainability has grown significantly. Our own efforts have not been unduly influenced by this trend. Rather, we have chosen to move gradually, in a way that makes sense to us and in the spirit of our new Our Business Responsibility philosophy.

The year ahead will see much more internal dialogue around this philosophy. Introduced only at the end of the reporting period, much still needs to be done on processing this internally. However, in seeking to take Our Business Responsibility forward, we are driven by a much more obvious common sense of purpose than before. In the past, our sustainability endeavours have been largely opportunistic rather than the result of a formalised grand design. This may well continue to be the case but the decision to devise a formal philosophy and generate a framework for engagement around Our Business Responsibility was motivated by stakeholder input, as well as our own desire to be able to contextualise our efforts.

Looking forward

The evolution of Our Business Responsibility journey will be driven largely by the different business units and geographies, although there will be an attempt to oversee, direct, coordinate, unify and integrate our overall approach from the centre.

In this year’s report (renamed Our Business Responsibility Report), we adopt a slightly new reporting format to give an initial sense of what our business pillars and key central support areas believe their responsibilities to be. This, we hope, will be built on and informed by more active input from our external stakeholders.

In seeking to enunciate a philosophy on Our Business Responsibility, we are looking to re-energise our previous sustainability efforts. Our newly adopted philosophy is as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

This will enable us to offer stakeholders a more easily understood and more fully integrated sense of our triple bottom line approach. In this vein, we expect the year ahead to generate a growing sense that Our Business Responsibility is an important driver of who we are, how we do things, and the results we hope to achieve. Our new-found focus on the environment, however, will not occur at the expense of the other aspects of sustainability from an Investec perspective, where intensive focus will continue to be the order of the day.

Carole Mason

Corporate Affairs

The 2007 Our Business Responsibility Report can be accessed on

www.investec.com/grouplinks/obr



Investec at a glance

Who we are

Investec (comprising Investec plc and Investec Limited) is an international, specialist banking group that provides a diverse range of financial products and services to a select client base. Founded as a leasing company in Johannesburg in 1974, we acquired a banking licence in 1980 and were listed on the JSE Limited South Africa in 1986.

In July 2002, we implemented a Dual Listed Companies (DLC) structure with linked companies listed in London and Johannesburg. A year later, we concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited. Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions. Today, we have an efficient integrated international business platform, offering all our core activities in the UK and South Africa and select activities in Australia.

What we do

We are organised as a network comprising five business divisions: Private Client Activities, Capital Markets, Investment Banking, Asset Management and Property Activities. Our head office provides certain group-wide integrating functions and is also responsible for our central funding and the Trade Finance business. Our strategic goals and objectives are based on the aspiration to be recognised as a distinctive specialist banking group. This distinction is embodied in our entrepreneurial culture, which is balanced by a strong risk management discipline, client-centric approach and ability to be nimble, flexible and innovative. We do not seek to be all things to all people and aim to build well-defined, value-added businesses focused on serving the needs of select market niches where we can compete effectively.

Mission Statement

We strive to be a distinctive specialist banking group, driven by commitment to our core philosophies and values.

Values



Philosophies

- Single organisation
- Meritocracy
- Focused businesses
- Differentiated, yet integrated



- Material employee ownership
- Creating an environment that stimulates extraordinary performance

Financial Snapshot

2007 was a year of strong financial performance, the essential highlights of which are captured below. A strong operating outcome during the period was accompanied by attainment of all previously identified financial targets.

For a more detailed review, refer to our [2007 Annual Report](#)

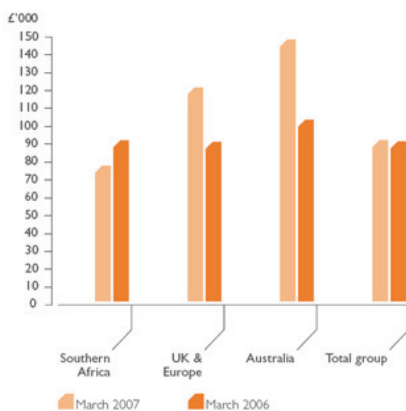
Overview

- Strong group performance
- Benefited from benign market conditions
- Succeeded in building scale in the UK and Australia
- South Africa performed well in local currency
- Good contribution from all our businesses
- Strong brand which is gaining momentum
- Disciplined approach to recruiting the best talent
- Comfortably met all our financial return objectives

Financial highlights

- Adjusted attributable earnings* up 30.7% to £300.7 million
- Adjusted earnings per share* up 27.2% to 53.3 pence
- Proposed full year dividend up 26.4% to 23.0 pence
- Average loans and advances up 23.6% to £9.9 billion
- Average third party assets under management up 23.2% to £56.2 billion

Penetrated our core markets





Comfortably met all our financial targets

	Target	31 March 2007	31 March 2006
ROE	>20%	26.1%	25.5%
Cost to income ratio	<65%	59.0%	58.7%
Adjusted EPS* growth	10%> UK RPI	27.2%	55.6%
Dividend cover (times)	1.7 - 2.3	2.3	2.3
Capital adequacy ratio	13% - 16%	Plc: 24.7%	Plc: 17.7%
		Ltd :14.7%	Ltd: 16.3%

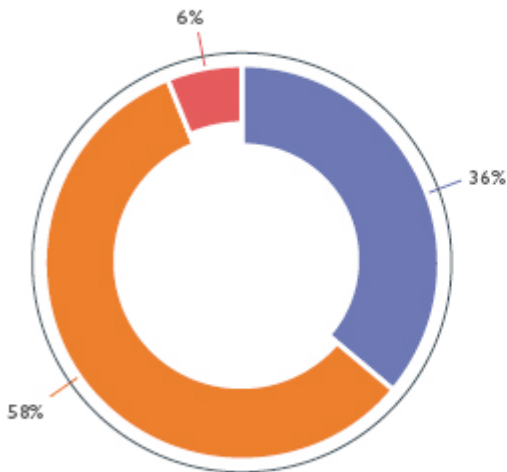
Note:

These targets were disclosed in May 2004 and are medium to long-term targets. We aim to achieve them through varying market conditions.

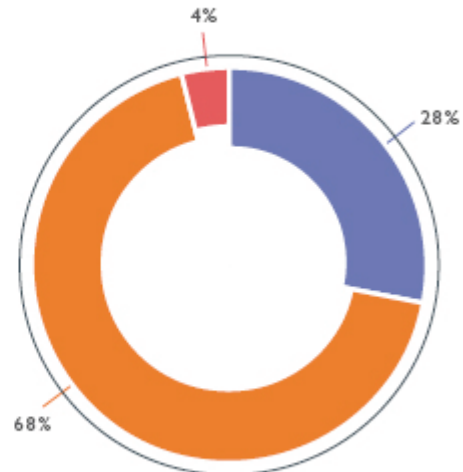
Leveraged off our platforms

Operating profit* by geography

March 2007



March 2006



■ UK and Europe ■ Southern Africa ■ Australia

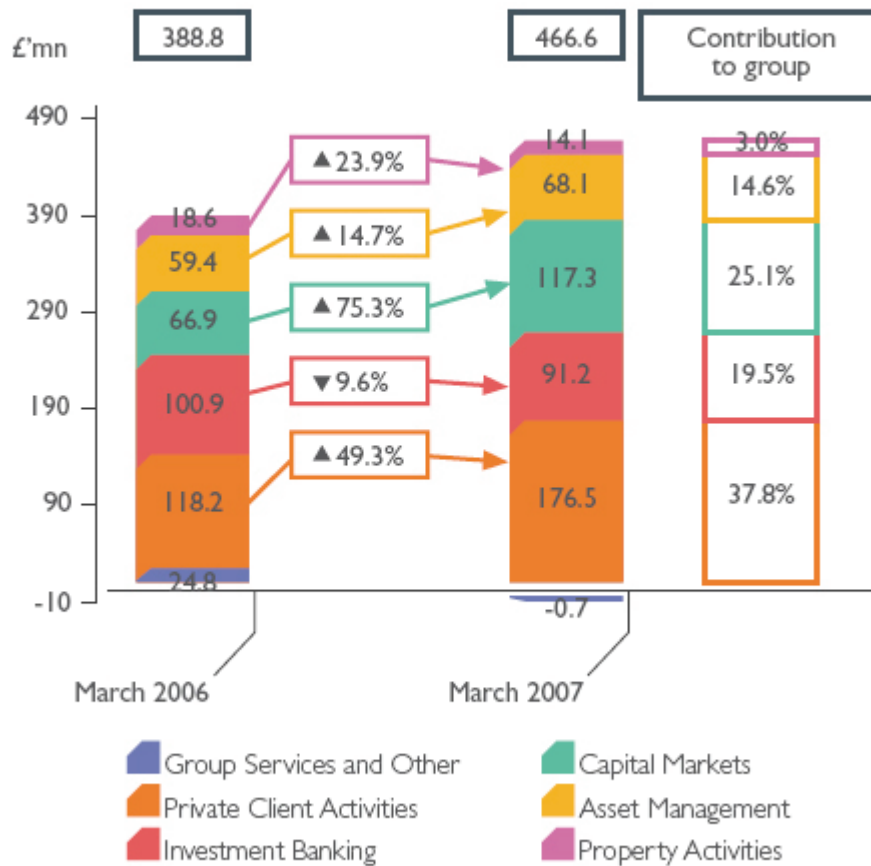
* Before goodwill, non-operating items and taxation

All businesses contributed to the performance



Operating profit* by business

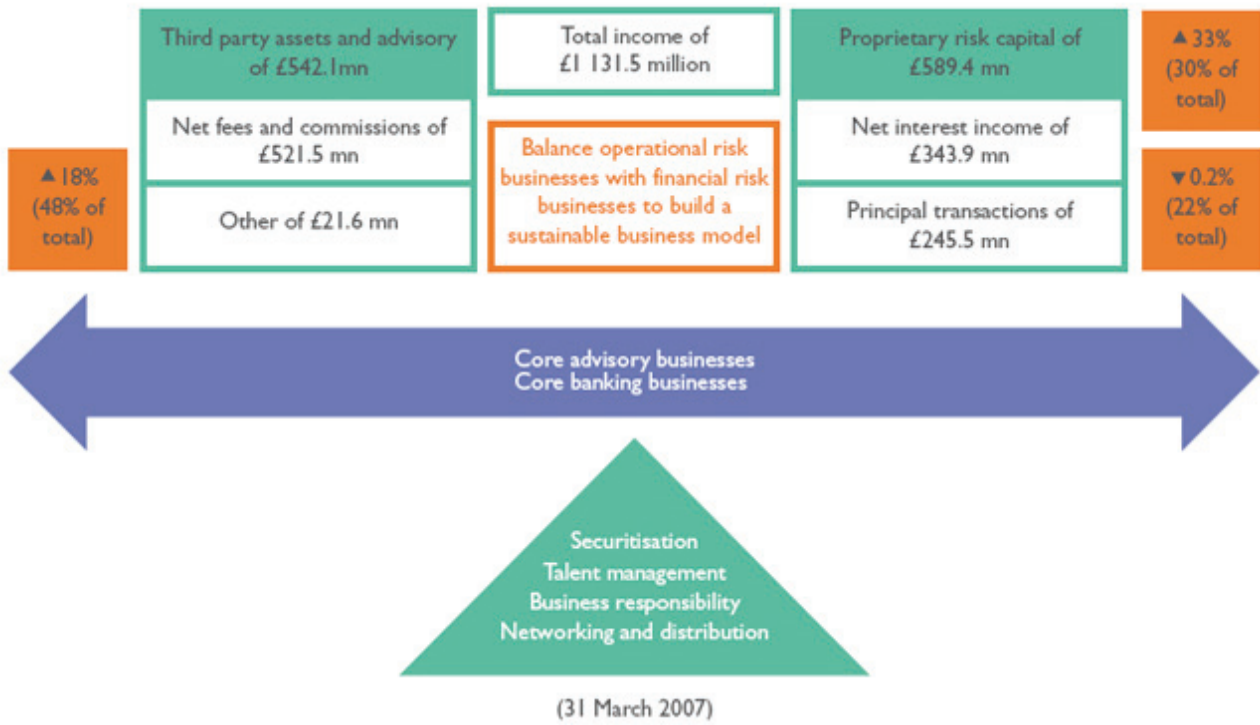
- Operating profit* up 20.0% to £466.6 million



* Before goodwill, non-operating items and taxation



Strategic focus

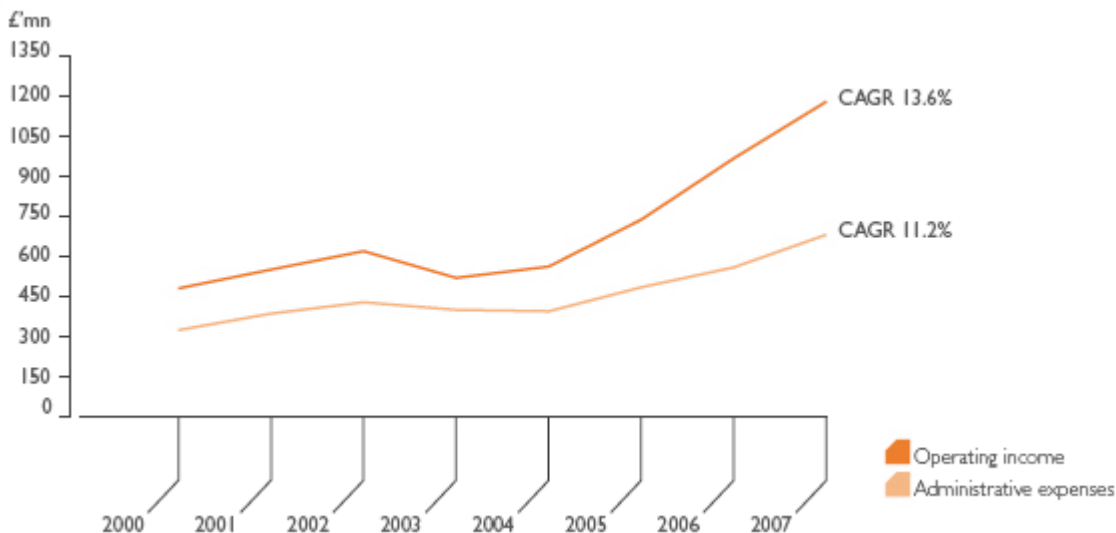




Note:

Analysis excludes income from private equity investments that are required to be consolidated.

Maintaining efficiency



Clear growth strategy

UK and Europe	<ul style="list-style-type: none">• Continue to push organic growth• Actively seeking bolt-on acquisitions
Australia	<ul style="list-style-type: none">• Continue to grow organically• Actively seeking bolt-on acquisitions
Southern Africa	<ul style="list-style-type: none">• Continue to benefit from strong South African economy• Deepen existing strong presence

Outlook

- Good underlying momentum driving organic growth across businesses
- Recent rating upgrades:
 - Solid understanding of and disciplined approach to credit
 - Effective capital management
- Good expense control while investing for growth
- Experienced management team.
- Recognised brand.
- The increase in scale and market penetration that we have achieved across all our geographies should continue to support the operating results of our businesses as expressed in local currencies.
- Assuming current favourable market conditions persist we would expect to deliver on our stated growth and financial return objectives.



Corporate Governance

Change in reporting approach

This year, we have adopted a question and answer format, to give you an initial sense of what Our Business Responsibility means to each of our core businesses.

The group's philosophy on Our Business Responsibility was only introduced at the end of the reporting period, and much internal dialogue still needs to take place around this.

As will be seen, some divisions are more advanced in their thinking and approach to sustainability than others, with circumstances in their areas more conducive to the active pursuit of a sustainability focus.

Our activities are underpinned by a desire to minimise any negative externalities associated with the organisation, while maximising the benefits of our internal skills and resources. As we progress with embedding Our Business Responsibility within the organisation, we hope to expand on this reporting format by asking questions which originate more directly from our stakeholders. We expect this exercise to begin in 2008.

This section encompasses an abbreviated overview of our corporate governance practices. For a more detailed review, refer to our [2007 Annual Report](#)

Business description, and reach

Investec operates under a Dual Listed Companies (DLC) structure, which requires compliance with the corporate and accounting regulation of the UK and South Africa.

Investec is committed to promoting sustainable confidence in our conduct as a business and corporate citizen. While the board is responsible for the overall process and structure of our corporate governance, each business area and every employee worldwide is responsible for adherence to good corporate governance practices.

Q and A section

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group's philosophy on Our Business Responsibility mean to your business?

For corporate governance within Investec, the first sentence of the newly adopted philosophy on Our Business Responsibility is particularly relevant. We look at corporate governance as promoting behaviours which build or promote trust with all stakeholders. This trust is built and earned by consistently behaving, whether as a business partner, a company in which people will invest, or a corporate citizen, in a manner which builds confidence over a long period of time. We believe this to be consistent with Investec's culture and values which relate to long-term performance.

What is the business case for Our Business Responsibility from the perspective of your business?

Our business case rests on the fact that if we do not achieve the objectives set out above, we will not survive to demonstrate sustainable performance.



What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

These include Investec's culture and values, and the expectations of regulators, investors and our clients. These are overlaid by the expectations imposed on business in relation to its behaviour in society.



What components of sustainability has your business unit chosen to concentrate on?

Please see the detailed information which follows later in this chapter.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

We are striving to meet best international practice and therefore believe ourselves to be going the extra mile.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

In order to measure our performance, we have formed a group-wide corporate governance forum, which meets at least annually to review our performance in each area of corporate governance.

Provide any indications of sustainability-related merit awards received in the 12-month reporting period.

There are no specific ones but a number of rating agency upgrades during the period suggests generally improved performance on our part.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

Any new initiatives relate, principally, to the performance of the board and its sub-committees. These include enhanced self-evaluation for the board as well as many new initiatives in the areas of compliance, particularly relating to conflicts of interest and treating our clients fairly, which are designed to protect our reputation.

Provide details of new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

Board statement

The board is of the opinion that Investec complied with the Principles of Good Governance and Code of Best Practice contained in section 1 of the London Combined Code (2006) as well as King II, during the period under review, except as outlined below.

London Combined Code A.3.1. and King II - Independence of the Chairman

Since 2005, the Chairman of the board is not considered to be independent but continues to enhance his status as a non-executive director.

This opinion of the board is based on the practices below, which were in operation during the period under review.

Financial reporting and going concern

The directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the Investec plc and Investec Limited combined financial statements, accounting policies and the information contained in the annual report.



In undertaking this responsibility, the directors are supported by an ongoing process for identifying, evaluating and managing the significant risks we face and preparing the information contained in the [2007 Annual Report](#). This process was in place for the year under review and up to the date of approval of the annual report and financial statements. The process is implemented by management and independently monitored for effectiveness by the Audit, Risk and other sub-committees of the board.

The board is of the opinion, based on its knowledge of the group, key processes in operation and specific enquiries, that there are adequate resources to support the group on a going concern basis over the next year.

Board of directors

The board is accountable for the performance and affairs of Investec, it is responsible for the adoption of strategic plans, monitoring of operational performance and management, ensuring an effective risk management strategy and our compliance with applicable legislation.

The board seeks to exercise leadership, integrity and judgement in pursuit of our strategic goals and objectives, to achieve long-term sustainable growth and prosperity.

In terms of the DLC arrangements, the boards of Investec plc and Investec Limited are identical and manage Investec as if it were a unified economic enterprise. At the end of the period under review, the board, excluding the Chairman, comprised four executive directors and twelve non-executive directors. As set out below, the board concluded that the majority (i.e. eight) of the non-executive directors are independent in terms of the London Combined Code and King II.

The board considers that the skills, knowledge, experience and attributes of the directors are appropriate for their responsibilities and our activities. The skills and experience profile of the board is reviewed regularly to ensure an appropriate and relevant board composition from a governance and effectiveness perspective.

The respective responsibilities of the Chairman and Chief Executive Officer are set out in writing, clearly defined and have board approval. The Chairman leads the board and is responsible for ensuring that the board receives accurate, timely and clear information to ensure that the directors can perform their duties effectively.

The board and directors' annual performance evaluation is based on recognised codes of corporate governance and covers areas of the board's processes and responsibilities, according to leading practice. Each director completes the evaluation, after which the Chairman conducts individual one-on-one discussions. The results of the evaluation are collated and reviewed by the Head of Corporate Governance and Compliance and reported to the board by the Chairman. Matters identified during the evaluation, which required attention, are scheduled for appropriate action.

The combined boards of Investec plc and Investec Limited met six times during the year. Three board meetings were held in the UK and three in South Africa, in line with the requirements of our DLC structure. Furthermore, the boards of Investec plc and Investec Limited held one additional meeting each in the UK and South Africa respectively.

Board committees

The board is supported by key committees, as follows:

- DLC Audit Committee
- Investec plc Audit Committee
 - Audit Sub-Committees
 - Audit and Compliance Implementation Forums
- Investec Limited Audit Committee
 - Audit Sub-Committees
 - Audit and Compliance Implementation Forums
- Board Risk Review Committee



- Executive Risk Review Forum
- Various specialist risk committees and forums
- DLC Nomination Committee
- DLC Remuneration Committee
- DLC Capital Committee

These committees have specific terms of reference, appropriately skilled members, independent non-executive director membership, senior management participation and access to specialist advice when necessary.

Directors' remuneration

Comprehensive disclosure regarding directors' remuneration can be found in the group's [2007 Annual Report](#).

Management and succession planning

Global business unit heads, geographic management, and the heads of central and group service functions are appointed by executive management and endorsed by the board, based on the skills and experience deemed necessary to perform the required function. In general, managers do not have fixed term employment contracts and there are no employment contracts with managers for a term of more than three years. Our management structure, reporting lines and the division of responsibilities are built around a geographic, divisional and functional network.

Each strategic business unit has an executive management committee and is responsible for taking and implementing operational decisions, managing risk and aligning divisional objectives with the group strategy and vision.

Matters of succession are considered regularly. Decision making is spread to encourage and develop an experienced pool of talent.

Internal control

We have adopted the Turnbull guidance ("Internal Control: Guidance for Directors on the Combined Code" issued by the Institute of Chartered Accountants of England and Wales in 1999 and revised in 2005), and continued to embed the principles throughout the group during the year under review. Cognisance has also been taken of the King II Code requirements in South Africa.

Risks and controls are reviewed and monitored regularly for relevance and effectiveness. The Board Risk Review Committee and Audit Committee assist the board in this regard. Sound risk management practices are promoted by the Group Risk Management function, which is independent of operational management.

Risk management

The board is responsible for the total process of risk management and the system of internal control. A number of committees and forums assist in this regard. Senior management is responsible for identifying risks and implementing appropriate mitigation and controls within their businesses. An independent Group Risk Management division, which is accountable to the board, is responsible for designing and reviewing the process of risk management. Group Risk Management reports regularly to the Board Risk Review Committee and the Executive Risk Review Forum.

Internal Audit

Each significant jurisdiction has an Internal Audit presence that is appropriate for the size, nature and extent of business conducted. Smaller geographies are supported by the Internal Audit teams of the Investec plc and Investec Limited groups. A risk based audit approach is followed and the Audit Committee approves annual audit plans.



External audit

Our external auditors are Ernst & Young LLP and Ernst & Young Inc. The independence of the external auditors is recognised and reviewed with the auditors by the Audit Committee each year.

The Audit Committees meet with the external auditors to review the scope of the external audit, budgets and any audit matters arising.

Non-audit services are dealt with in terms of an agreed policy.

Compliance

We recognise our responsibility to conduct business in accordance with the laws and regulations in the countries and areas in which we operate. The Compliance function is supported by compliance officers in the business units.

Regulation and supervision

We are subject to external regulation and supervision by various supervisory authorities, the main ones being the UK Financial Services Authority (FSA), the South African Reserve Bank (SARB) and the Australian Prudential Regulatory Authority (APRA). Some of our businesses are subject to supervision by the South African Financial Services Board.

In terms of the DLC structure, the SARB Banking Supervision Department is the lead supervisor of the combined Investec group, comprising Investec plc and Investec Limited. The SARB is the supervisor of Investec Limited, while the FSA is the supervisor of Investec plc.

Communication and stakeholder relations

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, which are defined below. The purpose is to help these stakeholders make meaningful assessments and informed investment decisions about the group.

Our primary stakeholders include employees, shareholders, government, regulatory bodies, clients, suppliers, rating agencies, the media, communities and industry investment analysts. The board appreciates the importance of ensuring an appropriate balance in meeting the diverse needs and expectations of all our stakeholders and building lasting relationships with them.

Values and code of conduct

We have a strong organisational culture of entrenched values, which forms the cornerstone of our behaviour towards all stakeholders. These values are embodied in a written Statement of Values, which serves as our Code of Ethics and is continually reinforced.

Our employees

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Our activities are underpinned by a desire to minimise any negative externalities associated with the organisation, while maximising the benefits of our internal skills and resources. As we progress with embedding Our Business Responsibility within the organisation, we hope to expand on this reporting format by asking questions which originate more directly from our stakeholders. We expect this exercise to begin in 2008. First-time readers, or those seeking more detailed background information relating to our practices in the area of human capital development, are directed to our [2006 Sustainability Report](#)

All relevant statistics pertaining to our HR practices, as well as our HR policies and programmes, are contained in respective Appendices at the end of this report. Please refer to [Appendix I](#) and [Appendix II](#)

Business description, and reach

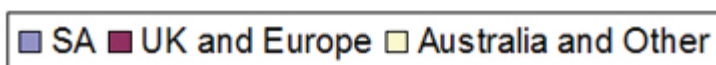
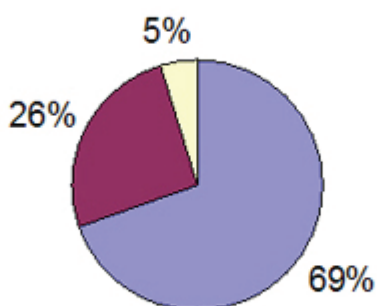
Our employees are vital to our continued success and we are committed to promoting their motivation, development, health and well-being. Our HR teams everywhere are mandated to attract, develop and retain people who can perform extraordinarily in support of the achievement of business objectives in a manner consistent with our culture and values.

As our operating jurisdictions have different legal and regulatory requirements, our various Human Resources (HR) functions operate largely independently of one another. Where there are opportunities for HR synergies across the group, we look to take full advantage.

At the financial year end (31 March 2007), we employed 5010 permanent staff members, the majority of which (69%) are based in South Africa. Our staff complement outside of South Africa accounts for some 31% of the total.

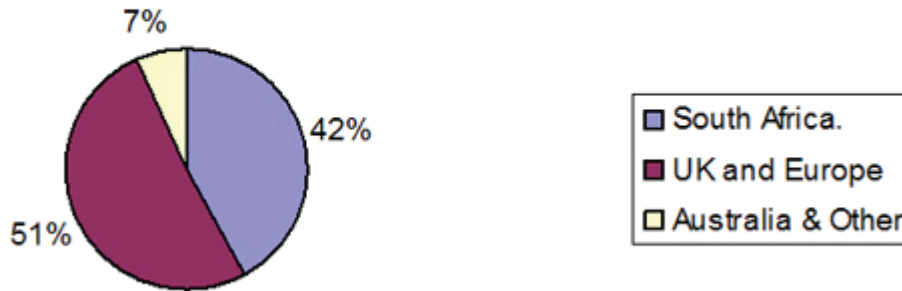
	2007				2006			
Employee statistics	SA	UK and Europe	Australia	Total	SA	UK and Europe	Australia	Total
Total employees	3 476	1 294	240	5 010	3 114	1 166	173	4 453

Employee composition by geography as at 31 March 2007

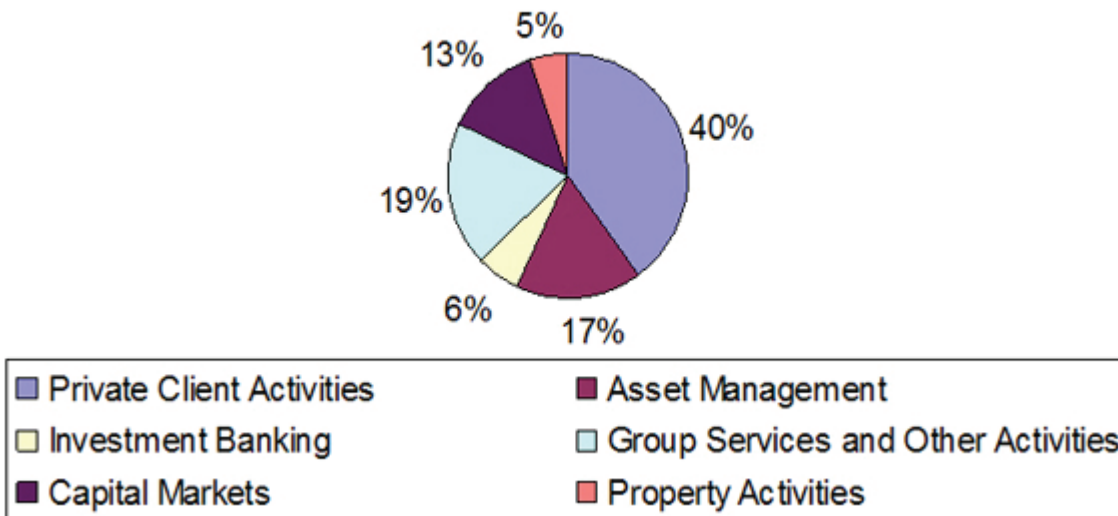




Employee costs (GBP 482 million) by geography as at 31 March 2007



Employee composition by division as at 31 March 2007



Q and A section

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.



What does the group's philosophy on Our Business Responsibility mean to your business?

Our Business Responsibility is closely aligned to our HR strategy – people are our most crucial asset. If we don't empower our employees through education and a healthy environment, our model is unsustainable. In each of our geographies, diversity is a fundamental feature of our operating environment. To unlock the true value of our people, therefore, we need to ensure that:

- Diversity is a key component of who we are, and is understood to add value to our business
- We attract, retain and develop people who can perform extraordinarily in support of the attainment of our business objectives – a sustainable workforce (internally and externally) is needed to achieve this

Against the realities of climate change and limited natural resources, in order to keep building educated and diverse entrepreneurs, we need to find new and different ways of sustaining the environment.

Wealth creation is the ultimate objective of the financial services industry. Over time, we would like to refine our understanding of this term, to encompass a more inclusive type of "wealth". This should recognise and reward people to encourage them to balance objectives beyond material outcomes (for example, by giving recognition to community development initiatives).

What is the business case for Our Business Responsibility from the perspective of your business?

Our business case is based on the recognition that without a healthy, educated and richly diverse society, we will not have a sustainable business. If we ignore social and environmental issues, we will be unable to source and develop the entrepreneurs needed to take Investec forward. The challenge for our business, together with HR, is to create an environment that enables people to reach their full potential, and to contribute to Investec's growth.

In support of our business case, we undertake the following:

- Continually source energised, passionate and intelligent people to join the group
- Focus on retaining current employees through creating an environment which induces employees to perform extraordinarily and provides them with the right skills to take on the challenges of the market
- Develop leaders throughout the group who look internally and externally at factors which may affect their team's performance who effectively manage the culture.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

Our overall HR strategy is driven largely by business unit strategic requirements. However, the basics of attracting, recruiting and retaining high calibre individuals in what remains a highly competitive environment for talent, are consistent across the group.

Our competitive edge comes from employing people who are able to view potential opportunities in a distinctive manner, and identify future trends and activities that allow for sustained wealth creation. Increasingly, this will encompass the use of sustainable environmental and socio-economic business models. In the UK, for instance, the ongoing activities of Team Green have conferred a competitive advantage on Investec's position as a preferred employer in that market.

HR continually looks for opportunities to create an environment for people to develop their skills and abilities as passionate, distinctive entrepreneurs. This allows them to seek out leadership opportunities through first-mover advantage. This requires internally focused development, as well as creating awareness around external environmental and socio-economic issues that will ultimately affect the sustainability of the financial services industry.



What components of sustainability has your business unit chosen to concentrate on?

People are our business and this aspect of sustainability goes to the core of our day-to-day focus. Attraction, selection, retention and development are a key focus for HR in all geographies, in line with overall business objectives. We continuously investigate innovative ways to grow our brand within our different regions. Initiatives include:

- Aligning ourselves more closely with our social investment teams, so as to build relationships through community-based and educational activities
- Getting closer to school and university education to identify individuals who we can support through educational scholarships. Our aim is to grow the skills base within the financial arena and expand the recruitment universe
- Developing different graduate recruitment projects, including internships and development programmes, to encourage and identify students who would not ordinarily have exposure to Investec's environment

In managing our operational environment, we are committed to being more environmentally conscious and ensuring that "environmentally friendly" behaviours start to become habits. We are therefore formalising our initiatives in line with Investec's global ones.

We are also using electronic media to minimise paper and stationery use and improve our efficiency. In South Africa, we introduced electronic payslips at the beginning of 2007, and we also aim to introduce e-recruitment, e-learning and e-mentorship. These correspond with the implementation of new HR systems in the different regions, which will also automate processes such as leave, performance management, bonus and salary increases, and reporting.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

Wherever possible, we would like to assume a leadership role in attracting, selecting, retaining and developing people. However, each region is in a different stage of evolution, requiring flexibility around these areas of emphasis. Overall, we remain consistent in our approach, and passionate about our culture and values.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

The implementation of a new global HR system will allow us to introduce, manage and maintain performance metrics and measurement tools. Currently, our measurement tools include:

- Performance development processes to review progress and formulate a plan for every employee's development
- "Post-placement" interviews with every person after they have been with Investec for six months
- Exit interviews for those who leave Investec, to enable us to measure and monitor our progress, and identify trends and issues
- Early stages of an Alumni programme, enabling us to monitor how our Investec Alumni view us from an external performance perspective

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

All of the above are specific to the current reporting period.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

The new HR system will form a major part of our sustainability initiatives, enabling us to transform the nature and efficiency of HR practices within Investec.



The ongoing evolution of our Learning and Development capability, alongside our continued leadership development approach and continued focus on talent development and diversity, will also underpin our sustainability focus.

Corporate Social Investment

Change in reporting approach

This year, we have adopted a question and answer format, to give you an initial sense of what Our Business Responsibility means to each of our core businesses.

The group's philosophy on Our Business Responsibility was only introduced at the end of the reporting period, and much internal dialogue still needs to take place around this.

As will be seen, some divisions are more advanced in their thinking and approach to sustainability than others, with circumstances in their areas more conducive to the active pursuit of a sustainability focus.

Our activities are underpinned by a desire to minimise any negative externalities associated with the organisation, while maximising the benefits of our internal skills and resources. As we progress with embedding Our Business Responsibility within the organisation, we hope to expand on this reporting format by asking questions which originate more directly from our stakeholders. We expect this exercise to begin in 2008. First-time readers, or those seeking more detailed background information relating to our practices in the area of corporate social investment are directed to the [2006 Sustainability Report](#).

Q and A section

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group's philosophy on Our Business Responsibility mean to your business?

In keeping with the spirit of Our Business Responsibility, our social investment activities in each of our principal geographies have education and entrepreneurship as a major strategic focus.

In South Africa, where our social investment activities are longer established, we continue to empower communities through initiatives such as The Business Place, CIDA City Campus, our bursary programme, our schools assistance programme and others. In the UK, emphasis continues to be placed on projects which will help to regenerate the poorer areas surrounding the City of London. We have forged strong relationships with several educational establishments, including Morpeth School in Tower Hamlets, where we are the principal corporate sponsor, and the University of East London, where certain Investec staff act in an advisory capacity. In Australia, early emphasis on education and entrepreneurship has seen us partner with organisations such as Social Ventures Australia and the Beacon Foundation, with a view to forming mutually beneficial relationships that will help to bridge the gap between business and education.

What is the business case for Our Business Responsibility from the perspective of your business?

Our CSI endeavours, across all geographies, are widely regarded as the soul of our business, central to the group's philosophy of making an unselfish contribution to society, and underpin perceptions of Investec as a good corporate citizen. In many ways, this earns us the social and political licence to operate.

We believe that to continue as a sustainable business, we have a duty to our local communities and that our core values and entrepreneurial spirit can best be used in enterprise development and empowerment through education.



What are the factors driving this (e.g. market opportunities, shareholder demands, client expectations, first-mover advantage, leadership opportunities)?

There are a number of factors which drive our overall CSI focus. Chief among these are the recognition of societal pressure on companies to behave in socially appropriate ways, the importance of reputation management, our culture and values, and our desire to do the right thing by practising the value of giving unselfishly to society. We also wish to forge an emotional contract with our employees, many of whom associate Investec as an employer of choice with our innovative and distinctive CSI approach. Key, too, is our acute understanding of the deficiencies and shortcomings within society. Neither government intervention nor prevailing market mechanisms have always been able to address major outstanding challenges, and Investec's proven ability to go for the gap leaves us predisposed to find alternative solutions.

What components of sustainability has your business unit chosen to concentrate on?

There is a commonality of focus across all geographies. Education, entrepreneurship and philanthropy are all seen to wield significant potential in making a difference to society and the communities in which we operate. In South Africa, our emphasis on education comprises a number of different components. Entrepreneurship is tackled, principally, through our involvement with The Business Place, while our HIV/AIDS projects focus on capacitating non-governmental organisations. We also have a project to address the needs of the many hundreds of AIDS orphans in Alexandra township, near Sandton.

In the UK, key projects under way include:

- Our sponsorship of Morpeth School in Tower Hamlets, London
- Our advisory role at the University of East London Business School and the Knowledge Dock Entrepreneurship Centre
- Our support for students on the Olive Tree Project at Cass Business School
- Our IT teaching project to help disadvantaged pupils from the Coin Street Community Centre in South London
- Strategic governorships and advisory positions held by Investec staff in East London education establishments
- Working closely with a number of organisations and agencies in the East End to assist the regeneration of this area ahead of the Olympic Games in 2012
- Fund raising and advisory support to a selected number of UK based charities that operate in the areas of our core focus
- Donations to charitable organisations

In Australia, a key initiative has been to pilot a mentorship scheme between Investec and a number of schools in the Sydney area participating in the Beacon Foundation's "No Dole" programme. Designed to generate best practice solutions for youth unemployment, active engagement between the business community and educational practitioners has generated encouraging results, and our successful pilot has been formalised into a three-year programme of support and partnership.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

In South Africa, we invest in society with an expectation to make a change in people's lives. We therefore remain closely involved in all our social investment projects. In wanting to be a positive agent for change, we see our role as being much more than merely providing financial assistance. This requires us to go the extra mile at all times.

Certain of our flagship projects in South Africa, namely CIDA and The Business Place, fall within the leadership category, as they have sought to challenge conventional thinking and introduce alternative models that are both replicable and sustainable.



In the UK, at this early stage in the evolution of a more formalised approach, we seek to achieve best practice and, wherever possible, a leadership role where we can make a difference.

In Australia, our CSI activities are not yet sufficiently entrenched to be described as anything more than doing the basics. We hope to evolve this to going the extra mile, in time.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

We want to address societal challenges in a strategic manner. This means that all interventions should be well thought out, forward thinking and results driven, to achieve maximum impact. This approach has resulted in a high degree of interaction with our CSI partners so as to clarify objectives, ensure the desired impact and identify the best ways of realising that impact.

In South Africa, the year under review saw increased emphasis on impact measurement, a key consideration for us when determining whether or not to fund initiatives. Our desire for an outcomes-based approach is driven by our need to clearly understand the opportunity costs, both financial and in terms of support for alternative projects, in each of our focus areas. Objectives and targets are set for each project, with ongoing monitoring and review to ensure that we achieve our objectives. Every project has its own objectives and targets on which to be evaluated.

In the UK, we are also motivated by a desire for measurable outcomes and knowledge of the extent to which our endeavours are making a difference, but will look to be measured by our outputs over time, rather than on the basis of short-term opportunities. We will, in time, look to measure ourselves by internal, rather than external, reference points, but our projects are insufficiently advanced for this to be a real source of focus at present.

In Australia, our CSI activities have not yet evolved to this point. However, with a desire for a more strategic underpinning to our focus, we have begun to concentrate on organisations and programmes that look to sustainable, rather than remedial, solutions to society's problems.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

In South Africa, in addition to our ongoing social investment activities, we are paying attention to environmental considerations, focusing on the need to reduce our own internal paper consumption as well as fostering new external environmental initiatives. Where possible, we try to establish linkages between existing CSI initiatives and those that lend themselves to an environmental focus.

In the UK, the new year will bring much greater focus to our CSI activities, in the form of dedicated resources and strategic planning. It is also hoped that greater integration will be forged between CSI projects in South Africa and the UK, with leveraging where possible. Specifically, a new project is being considered with the University of East London to develop entrepreneurial outlets similar to those of The Business Place in South Africa.

In Australia, it is hoped that the new year will bring to fruition some of the projects that have been under assessment or in incubation. In particular, we are looking to extend our initial pilot project with the Beacon Foundation and Social Ventures Australia into other cities and have committed to our involvement over a three-year period.

Provide any indications of sustainability-related merit awards received in the 12-month reporting period.

Investec won the inaugural Gordon Institute of Business Science "Social Entrepreneur of the Year Award" in 2006, for its ongoing association with CIDA City Campus.



Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, or significant developments, which represent a change or an advance on what was reported last year.

The focus here is on the dedicated activities of our South African CSI team. The CSI activities in our non-South African businesses did not register any material change during the period.

SOUTH AFRICA, EDUCATION

Significant developments, schools programme

- We continued to sponsor Maths interventions at schools across the country, focusing on teachers, learners or both. Although it is too early to be conclusive, the academic results reported by our partners at the end of the 2006 academic year suggest that the initiatives have made a difference, with potential for significantly improved results over time

Our Pro-Maths project, for instance, which provides extra tuition for students from 25 high schools in Dobsonville, Soweto, saw 107 students pass their 2006 matric Maths exam. Against the initiative's targets of a minimum 80% pass rate, the attainment of 15 distinctions and a D as the minimum pass symbol, the project obtained a 72% pass rate, five distinctions, 9 Bs, 15 Cs and 36 Ds. Thus 65 of the 107 students who passed Maths managed to obtain between 50% and 100% in Maths higher grade, enabling them to earn a place at university and put them in line to receive a bursary.

Although our overall targets were not achieved, the end-2006 results represented a marked improvement on those of 2005, and we will continue our support. In the new financial year, this project will also be introduced to 87 Grade 10 learners (previously, the project extended only to Grades 11 and 12), with a view to building a better Maths foundation within the schools we support.

While Pro-Maths is at infancy stage, the year under review saw the programme again acknowledged by the Gauteng Department of Education for early impact.

In August 2006, Investec, in partnership with the Gauteng Department of Agriculture, Conservation and Environment, hosted a successful Career Expo in Soweto, Dobsonville, with 3 800 grade 11 and 12 learners attending over two days. The expo was free to exhibitors and attendants. It showcased career opportunities available to grade 12 learners from 25 schools around Soweto, by introducing them to tertiary education institutions, bursaries, learnerships, entrepreneurship and other career opportunities. Due to its success, another expo, at an even bigger venue, will be hosted in 2007.

- The period saw us pursue three new school entrepreneurship programmes, in partnership with Junior Achievements SA (JASA) and Food and Trees for Africa (FTFA). JASA will run two pilot projects, one in Alexandra and another in Mpumalanga, while FTFA will run one in the Eastern Cape. These projects aim to introduce entrepreneurship to high school learners. We will closely monitor these pilot projects and progress will be communicated in the next report
- During the period, we facilitated some environmental focus in the schools already part of our schools assistance programme. This ranged from the establishment of food gardens to provision, through our partners, of environmental education at some of the schools

Significant developments, bursary programme

- We continued to obtain an over 80% pass rate among our bursary recipients
- We awarded 37 partial bursaries for the 2007 academic year, just below our target of 40
- We increased our partial bursary from R20 000 to R25 000 per student for the 2007 academic year
- We launched our bursary programme mentorship programme
- We increased to 10 the number of participants on SAICA's Thuthuka bursary programme, effectively doubling our commitment
- We increased to 10 the number of previously disadvantaged Investec-sponsored participants attending private school by means of the Student Sponsorship Programme



Significant developments, university programme

- Although in wind-down mode, we continued to support our existing commitments to universities
- We commissioned an external third party review of [CIDA City Campus](#). Currently under way, the mandate for this review is to give us greater clarity and assurance on the two differing dimensions of CIDA's activities: the viability of the university as a going concern and the quality of its educational offering
- Some of the questions being asked as part of this review will look at the impact of CIDA on society, and the sustainability and replicability of the CIDA model. Although we initiated this exercise, we are not conducting it. Rather, two independent service providers, the African Institute for Corporate Citizenship and Freedthinkers, have partnered in conducting the review, scheduled to be completed in July 2007

South Africa, Entrepreneurship

Significant developments, entrepreneurship/schools

- As reported above, we launched three new school entrepreneurship programmes, in partnership with Junior Achievements SA and Food and Trees for Africa

Significant developments, The Business Place

- [The Business Place](#), Johannesburg launched several new services closely aligned to its strategy of supporting entrepreneurs at various levels. These included an industry specific networking and opportunity centre, to facilitate the concentrated growth and development of sector-specific entrepreneurs so that they can access real opportunities in their sectors
- An exciting sector-specific development was the signing of an agreement between Growthpoint Properties Ltd and The Business Place, Johannesburg, in terms of which Growthpoint will sponsor a property sector entrepreneurship development programme. This aims to encourage the development of black entrepreneurs with the skills needed for participation in the property sector. Services to be provided include electrical, plumbing, cleaning, security, painting and other property maintenance activities. With a portfolio of 430 retail, office and industrial properties nationwide, Growthpoint will be able to channel substantial expenditure, to this initiative, supporting black entrepreneurs who have been developed by The Business Place
- The Business Place, Johannesburg's offering expanded to include new satellite sites in Kliptown and Alexandra. The Business Place, Botswana also opened during the period
- We commissioned an independent third party review of The Business Place, to determine its effectiveness as a support provider to both would-be and existing entrepreneurs. The review, conducted by the Centre for Innovation and Entrepreneurship at the Graduate School of Business, University of Cape Town, elicited recommendations on how to improve the day-to-day workings of The Business Place model

Confirming the uniqueness of The Business Place model as the only one-stop shop facility of its kind in South Africa, with enormous potential, the review also highlighted the need to make certain changes so as to enhance delivery and effectiveness. Recommended changes relate to enhanced database and systems capability, more focused targeting of clients, greater consideration to location specifics and the need for more effective monitoring tools. These considerations are being addressed, and will be reported on in due course.

South Africa, HIV/AIDS



Significant developments, NGO capacity building

- In partnership with Momentum Life, we launched a national database and information website, for the use of NGO practitioners in the HIV/AIDS arena. Stakeholder feedback has been positive and, on the basis of additional external input, we are looking to amend the site further. A new look and feel, as well as additional features, will be launched in 2007. The website can be accessed on www.aidsbuzz.org.za
- We formalised our partnership with the Sustainability Institute, designed to elicit formal educational interventions for NGOs operating in the HIV/AIDS arena. As our partner, The Sustainability Institute has undertaken, over three years, to develop rigorous, outcome-oriented training interventions with performance-based assessments. The intention is to develop measurable competencies that can be certified and that can aggregate into recognised qualifications in the field of Development Management and Practice

Significant developments, AIDS orphans project

- We continued to research and implement our AIDS orphans pilot project in Alexandra, and employed a full-time project manager to help move this project forward. The new reporting period should see much more tangible progress in this regard

South Africa, Charitable Donations

Significant developments, staff participation

- We launched a staff participation scheme where we now actively engage with staff when determining our monthly discretionary donations activities. Each month we set aside R100 000 for the purpose of meeting a range of different needs and staff are asked to vote for their preferred recipient of funds

Themes selected during the reporting period include general health, vulnerable children, sports development, advancement of women, environmental awareness, poverty eradication, abuse of women and children, AIDS and the disabled. A total of R1 289 696 was disbursed to various organisations countrywide

- During the year, we allocated R150 000 to the Field Band Foundation in Alexandra. This initiative is designed to co-sponsor the establishment of a band in the township, which will teach children to play instruments, provide life skills coaching, create opportunities for band members to participate in international exchanges and eventually provide a stepping stone to various job opportunities. We will look, wherever possible, to link the activities under this initiative with our ongoing activities elsewhere in Alexandra.

CSI

Group CSI spend

Year to 31 March	2007		2006	
	£	Rands	£	Rands
Private Bank	188 832	2 526 572	33 869	387 123
Investment Banking	9 000	120 420	1 000	11 430
Capital Markets	45	602	-	-
Asset Management	5 952	79 638	11 055	126 359
Group Services and Other Activities	236 013	3 157 854	907 228	10 369 616
Total UK	439 842	5 885 086	953 152	10 894 528

Europe (Guernsey, Jersey and Switzerland)	8 787	117 571	5 582	63 802
Ireland	13 605	182 041	38 400	438 912
Private Client Activities	16 824	225 111	153 078	1 749 681
Capital Markets	12 111	162 048	656	7 500
Investment Banking	43 603	583 411	-	-
Asset Management	80 032	1 070 825	8 955	102 360
Property Activities	450 404	6 026 400	493 438	5 640 000
Group Services and Other Activities	72 759	973 521	31 501	360 052
CSI division	1 106 237	14 801 454	895 325	10 233 567
Total South Africa	1 781 971	23 842 770	1 582 953	18 093 160
Australia	430 833	5 764 543	85 273	974 670
Total group CSI spend	2 675 038	35 792 011	2 665 360	30 465 072
Total group spend as a % of operating profit after tax (before non-operating items and impairment of goodwill)	0.57	0.57	0.96%	0.96%

Note:

- No CSI contributions were made in 2006 from our Jersey offices.

Our operational impacts

Change in reporting approach

This year, we have adopted a question and answer format, to give you an initial sense of what Our Business Responsibility means to each of our core businesses.

The group's philosophy on Our Business Responsibility was only introduced at the end of the reporting period, and much internal dialogue still needs to take place around this.

As will be seen, some divisions are more advanced in their thinking and approach to sustainability than others, with circumstances in their areas more conducive to the active pursuit of a sustainability focus. Our activities are underpinned by a desire to minimise any negative externalities associated with the organisation, while maximising the benefits of our internal skills and resources. As we progress with embedding Our Business Responsibility within the organisation, we hope to expand on this reporting format by asking questions which originate more directly from our stakeholders. We expect this exercise to begin in 2008.

Business description, and reach

As a specialist knowledge-based financial services institution, the direct environmental and social impacts of our daily operations are limited.

We recognise, however, that there is scope for integrating sustainability principles into the management of our daily operations, and that we can make a difference through our procurement and supply chain practices, and through improved internal environmental practices.

Black economic empowerment and transformation remain important areas of operational focus in South Africa.



In accordance with the new group philosophy on Our Business Responsibility, we have begun to pay more attention to changes in our internal environmental behaviours, with a view to reducing our footprint across all geographies.

Procurement and supply chain

Q and A section

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

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What does the group's philosophy on Our Business Responsibility mean to your business?

Our suppliers of products and services are integral to the development of our business and it is critical for us to ensure that all aspects of our procurement process meet our sustainability guidelines and criteria. In South Africa, this has traditionally meant attention to black economic empowerment (BEE), whereas elsewhere, ethical and environmental considerations go hand in hand with "best value for spend" criteria as a focus. Increasingly, all our principal jurisdictions will look to formalise environmental criteria into their procurement policies.

Our procurement activities have a direct impact on the implementation of the group's philosophy. When procuring services, our focus on environmental, entrepreneurial and BEE considerations can contribute to the sustainability of projects implemented, with long-term benefits in terms of our doing the "right thing" for our clients, employees and communities.

What is the business case for Our Business Responsibility from the perspective of your business?

In South Africa, our procurement practices have evolved in line with the requirements of the Financial Services Charter, whereas in the UK a focus on the environment, predating the adoption of any group philosophy in this regard, has been in place for some time.

South Africa continues to concentrate on the development and enhancement of its systems, and will look to incorporate environmental considerations into its rating assessment procedures in the new year. Specific procurement initiatives in South Africa in the past year have concentrated on paper supply, with a view to ensuring environmentally friendly option availability, and IT hardware, with a view to adopting greater virtualisation and consolidation.

Specific procurement initiatives in South Africa in the past year have concentrated on paper supply, with a view to ensuring environmentally friendly option availability, and IT hardware, with a view to adopting greater virtualisation and consolidation.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

For South Africa, the Financial Services Charter and the BEE Codes are a major driving force in ensuring the creation of black- and female-owned entrepreneurial businesses. The need to enact transformation in the domestic context is an expectation of all key stakeholders.



In our UK business, the awareness of the ill effects of climate change, global warming and the abuse of natural resources is gaining impetus at international, national and local government level. All three of the main political parties are actively embracing environmental concerns and this is cascading down to our staff both in the business and personal environment. Legislation at government level has been introduced, with further requirements under consideration, and stringent recycling of waste is being enforced at local government level. Increasing awareness and compliance is becoming more prevalent from investors, staff and other stakeholders.

What components of sustainability has your business unit chosen to concentrate on?

In South Africa, the need to effect BEE has been the principal area of emphasis. Specific environmental focus areas have been IT hardware and paper, the latter with specific reference to the types of paper used and the printing processes deployed. In IT, active moves towards virtualisation and consolidation are key environmental drivers.

In the UK and other jurisdictions, we have not singled out for consideration any particular focus when looking to implement our policies. Existing policies are the result of extensive exploration that took place some years ago. In the UK, we are more at the maintenance stage of our procurement policy evolution, whereas South Africa and other geographies are still at the earlier, formulation, stages.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

At present we are trying to get the basics right, across all geographies.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

We have not yet established the correct metrics to be used to track and support environmental and sustainability issues. We have an established process for monitoring and measuring broad based BEE in South Africa.

Provide details of new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

All of the above represent advances on those of the previous reporting period.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

We have not yet established the correct metrics to be used to track and support environmental and sustainability issues. We have an established process for monitoring and measuring broad based BEE in South Africa.

Provide details of new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

All of the above represent advances on those of the previous reporting period.



What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

In South Africa, environmental issues and BEE will be the 2007/2008 focus for all goods and services procured. We intend to host a suppliers summit for Qualifying Small Entrepreneurs and small, medium and micro enterprises, to provide stakeholders with the requisite knowledge pertaining to BEE procurement objectives. The aim is to assist our vendors in becoming BEE compliant and to have the codes explained and simplified.

Continued developments in the IT hardware space can be expected. Ongoing systems development will be a major procurement focus, with a formal procurement policy expected to be in place early in the new reporting period.

In the UK, it is not anticipated that there will be new areas of focus, but continued attention to existing areas of emphasis.

TRANSFORMATION WITHIN INVESTEC

Long documented and an ongoing key focus for Investec, transformation remains a strategic imperative. We submitted our second financial sector charter report to the Charter Council in March 2007 and we achieved, and retained, our "A" rating in terms of the [Financial Sector Charter](#). This submission, covers all the components of the charter and reflects changes over the preceding 12 months.

INTERNAL ENVIRONMENTAL BEHAVIOURS

Q and A section

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group's philosophy on Our Business Responsibility mean to your business?

For the first time, the group's philosophy now embraces environmental considerations and our need to modify and change internal behaviours, where appropriate. In the absence of any formalised group approach, we have begun the process of exploring quick-win areas of focus, with each geography identifying appropriate areas of emphasis. Reducing paper consumption is a common goal across all jurisdictions in the current year.

What is the business case for Our Business Responsibility from the perspective of your business?

Apart from the obvious considerations relating to the need for us to be an effective corporate citizen, there will be cost savings from reduced natural resource consumption, over time.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

These are many and varied, and include stakeholder expectations, looming legislative considerations and employee interest in effecting change.



What components of sustainability has your business unit chosen to focus on?

In the light of Our Business Responsibility and its focus on environmental considerations, we initially looked at the need to create increased employee awareness about the steps required for us to reduce our environmental footprint. In the absence of any formalised thinking or targeted measures, we have chosen to go for quick wins, specifically in the area of reduced paper consumption.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

We are early in the evolution of our environmental thinking and so are merely doing the basics. That said, the enthusiasm and impact made by the UK's Team Green, in particular, resulted in Investec's receiving a top award from the City of London.

This has elevated the UK's environmental drive to a higher level, with clear leadership potential. News of Investec's achievement has reached the wider community and we are increasingly being approached by other companies to share our experience with them. The success of Team Green in the UK has seen a spawning of other Team Green initiatives in all principal jurisdictions.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

From a group perspective, we have set a target of a 15% reduction in paper consumption during the 2008 financial year. We are exploring the possibility of more formalised targets in other areas. In the UK, we commissioned an independent energy audit at our premises in London, and included benchmark measurements against buildings of a similar size. A review of the report is under consideration and recommendations will be addressed, where appropriate. Utilities, waste, catering, consumable and paper usage is recorded and monitored regularly.

The Phase II extension to our head office building at 100 Grayston Drive in South Africa, currently under way, has a mandate to address sustainability considerations wherever possible.

Provide any indications of sustainability-related merit awards received during the reporting period?

From some 1 300 participants, Investec Bank (UK) was awarded the Chairman's Cup as the overall winner of the 2006 City of London Clean City Award scheme. This initiative, in partnership with the business community, is designed to reduce waste and drive the practices of reduction, re-use and recycling of waste.

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year?

The past year has seen a considerable focus on identifying ways to reduce our environmental footprint. This culminated, in the closing months of the reporting period, in the selective launch of a group-wide environmental awareness campaign, to heighten employee sensitivity to the need for changed behaviour in response to environmental sustainability concerns.

While we are still exploring the overall extent of our responsibilities, we are determined to make a concerted attempt, across all our geographies, to reduce our footprint. Our first objective is to effect a group-wide 15% reduction in paper consumption in the new financial year.

In South Africa, we have agreed the need for a greater, more collective, attempt at measuring consumption across various fronts. This will be a keen focus in the new reporting period.



What new sustainability initiatives is your business likely to pursue in the new financial year?

We are looking to sustain our group-wide awareness campaign by highlighting other components of environmental sustainability.

Having made a significant impact on waste awareness and reduction at our premises in London in the past year, we propose rolling this out into the other UK jurisdictions in which we operate. The UK will also determine the feasibility of going carbon neutral, as will Australia.

In South Africa, we intend conducting energy audits in all our principal buildings this year, as the first step in determining the size of our footprint.

We are looking to formalise a more robust measurement of our environmental impact, across an array of fronts, in all principal geographies, and the new year will see specific attention devoted to this.

Our operational impacts

South Africa

		Units	2007
Energy	Electrical energy consumption	Killowatts Hours (Kwh)	29 602 664
	Gas consumption	Killowatts Hours (Kwh)	13 153
Water	Water consumption	Kiloliters	182 934
Material	Paper	Tonnes	587.6
Content	Paper recycled	Kilograms (Kg)	208 400.7

Notes:

- South African offices include Port Elizabeth, Cape Town, Durban, Pretoria and Sandton
- Pretoria has extrapolated estimates of consumption based on a few months usage, as it changed premises during the period
- The vendor for waste management has been changed since last year and now supplies paper recycled at the Sandton office
- No comparable statistics are available as the basis of calculation has changed.

UK

		Units	2007
Energy	Electrical energy consumption	Killowatts Hours (Kwh)	11 547 758
	Gas consumption	Killowatts Hours (Kwh)	5 448 696
Water	Water consumption	Kiloliters	10 934
Material	Paper	Tonnes	71.3
Content	Paper recycled	Kilograms (Kg)	62 875

Notes:

- The information on paper is for UK, Dublin, Switzerland, Guernsey and Jersey
- No comparable statistics are available as the basis of calculation has changed.



Australia

		Units	2007
Energy	Electrical energy consumption	Kilowatts Hours (Kwh)	740 808
	Gas consumption	Kilowatts Hours (Kwh)	NA
Water	Water consumption	Kiloliters	-
Material	Paper	Tonnes	16.8
Content	Paper recycled	Kilograms (Kg)	-

Notes:

- Our Australian offices occupy multi-tenanted buildings, and individual water consumption and paper recycling figures are not easily available
- No comparable statistics are available as the basis of calculation has changed.

Our indirect impacts

Change in reporting approach

This year, we have adopted a question and answer format, to give you an initial sense of what Our Business Responsibility means to each of our core businesses.

The group's philosophy on Our Business Responsibility was only introduced at the end of the reporting period, and much internal dialogue still needs to take place around this.

As will be seen, some divisions are more advanced in their thinking and approach to sustainability than others, with circumstances in their areas more conducive to the active pursuit of a sustainability focus.

Our activities are underpinned by a desire to minimise any negative externalities associated with the organisation, while maximising the benefits of our internal skills and resources. As we progress with embedding Our Business Responsibility within the organisation, we hope to expand on this reporting format by asking questions which originate more directly from our stakeholders. We expect this exercise to begin in 2008.

Managing sustainability risks/opportunities in our financing activities

Our credit extension process is largely reactive and driven by the need to support the operating divisions. From a group risk perspective, it is our policy to identify and assess environmental and social risks as part of our rigorous credit granting process. We also try to pursue environmentally friendly projects, such as funding clean energy transactions, where we have begun to build up a portfolio in the UK, US, Australia and Europe. One of the tools we use to assess the creditworthiness of a client is the corporate rating model, which includes environmental and social compliance criteria. The comprehensive questions in our corporate assessment model gauge the extent to which clients, or potential ones, adhere to sound sustainable practices. The period under review saw some refinements to the model, which aspires to world best practice.

Private Bank

Description of activities, and reach

Investec Private Bank is established in each of the major centres of South Africa and strongly integrated with the group's UK and Australian operations. Our UK operations maintain offshore subsidiaries in the Channel Islands, Switzerland and Ireland.



Investec Private Bank provides a range of private banking services, targeting select high income and net worth individuals in chosen niche markets. These services include:

- Structured Property Finance
- Specialised Lending
- Trust and Fiduciary
- Banking and Treasury
- Investment Management and Advisory
- Growth and Acquisition Finance

Further detail relating to each of the above can be found in the [2007 Annual Report](#)

We position ourselves as “an investment bank for private clients” in the high value advisory market, striving to “out think” not “out muscle” our competitors. One of our key strengths is the ability to originate new business by leveraging off the strong client relationships that we establish through our lending activities. This operating model sets us apart from other private banks that depend on the more traditional asset-gathering model. Our target market comprises high income and high net worth individuals, including property developers and investors and management buyout/buy-in candidates of owner managed businesses.

Our unique offering has a strong franchise among successful entrepreneurs and self-directed internationally mobile clients, with a specific focus on select niches and community groups.

Q and A section

The group’s newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group’s philosophy on Our Business Responsibility mean to your business?

We recognise that focusing purely on the creation of financial and economic value contributes to limited sustainability. Our business responsibility therefore lies in the creation of long-term environmental and social value for our stakeholders, linked to economic growth and with particular consideration for the needs of future generations.

Our goal is to ensure our sustainable growth and embed sustainable practices, including those of environmental and social awareness, into our business. To compete effectively in our markets, we aim to remain accessible and relevant to our clients while providing a distinctive service experience. In addition, to achieve true competitive advantage, we need to ensure our long-term success while contributing towards economic and social development and a healthy environment.

What is the business case for Our Business Responsibility from the perspective of your business?

In South Africa, the financial services landscape is becoming more complex and increasingly competitive, and thus more vulnerable to financial and non-financial risks.

To differentiate ourselves and maintain a competitive advantage, we need to respond effectively to stakeholder expectations and enhance and protect our reputation and brand. Our ability to operate successfully also depends on our mitigation of social and environmental risks and capitalising on opportunities for innovation. The integration of economic, social and environmental considerations into our strategy and business practices will result in both financial and non-financial benefits for us.



What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

Companies globally are experiencing increasing demands from stakeholders relating to sustainability, especially the need to preserve the environment and assist living standards in nearby communities. The role that companies play in society is therefore changing significantly.

In South Africa, our approach to sustainability is distinguished by the unique challenges we face such as HIV/AIDS, empowering previously disadvantaged groups and helping local communities. There is also increasing focus on the need to increase foreign investment and strengthen corporate governance practices. Legislation is progressively reflecting environmental and social regulations. Banks are being affected by recent legislation relating to better managed consumer debt levels, improved credit lending practices, increased consumer education and enhanced capital adequacy frameworks.

These factors create both opportunities and challenges for us. To differentiate ourselves from global competition, we need to positively respond to these drivers which could potentially result in a “prime mover” advantage for us.

What components of sustainability has your business unit chosen to concentrate on?

In the financial realm, we concentrate on:

- Achieving long-term wealth creation for clients, employees and shareholders
- Being an employer of choice, including building a truly diverse workforce
- Building an inclusive culture to optimise our investment in our people, by increasing their productivity and motivation
- Embedding the know-how and capabilities of ethical, social and environmental assessment in our credit and financial intermediary decisions
- Increasing funding to black economic empowerment transactions by promoting cooperative ventures with black businesses

Environmentally, our focus is on:

- Pursuing resource efficiency initiatives, with a link to cost reduction, employee engagement and enhanced reputation
- Minimising our impact on the environment

In the social arena, our objectives are:

- Being a valued local partner to the communities we serve
- Developing young leaders and entrepreneurs through educational initiatives
- Improving our procurement policies
- Helping to advance black professionals

Our UK operations have three focus areas:

- Pure philanthropy, where financial contributions are made to schools and charitable organisations that focus on programmes associated with developing the youth and uplifting the underprivileged
- Client-led philanthropy, where we partner with our clients and support them in their philanthropic activities
- Green activities and other group initiatives, where we participate in or lead group activities related to environmental and social programmes

To what extent are you pursuing your division’s chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

We have been relatively late in responding to the factors driving sustainability as our focus has been on building our business. In so doing, we have concentrated on maximising shareholder value through sustained growth.



Traditionally, our sustainability thinking has been limited to corporate social investment (CSI), black economic empowerment financing and diversity. Our approach was largely reactionary with little integration between our operations nationally and internationally. We have, therefore, achieved limited progress on the focus areas highlighted above, and cannot pretend to be doing anything more than the basics.

Looking forward, however, we are committed to going the extra mile in achieving our goals for each focus area.

Have you put in place any specific performance measures, or measurement tools, to monitor progress over time?

We have focused on the requirements of the Financial Sector Charter in South Africa as the principal form of measuring our people (demographics and training spend) and CSI activities. Beyond that, we have had no other formal metrics in place, largely because there was never any perceived need. As part of the implementation of Our Business Responsibility throughout the Private Bank, we hope to incorporate some additional considerations, and will be applying ourselves to this exercise in the new reporting period.

**Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year?
Investec Private Bank, SA**

Black economic empowerment

- Our specialist niches have funded black economic empowerment businesses to the value of R2.7 billion in the past financial year

Corporate social investment

- Every year, we use Christmas cards to support a charity. This year, we supported The Turning Point Home for street children in Brixton, Johannesburg. We commissioned the boys to paint Christmas cards for us and in return donated R15 000 to the home
- We sponsor Surgikids, an initiative that supports children in need of life-saving surgery. We sponsored two events this year, allowing Surgikids to raise exposure and funds for the expenses incurred in these surgeries
- We have an ongoing sponsorship of ABASA (Association for the Advancement of Black Accountants South Africa), to develop talent in the field of accounting and finance. Our sponsorship allows ABASA to hold national events raising awareness and funds towards their bursary for black accounting students
- We sponsor individuals or employees, allowing them to make a difference to a cause of their choice. Examples include sponsoring runners in the London Marathon, allowing them to raise funds for HIV/AIDS through supporting the Nelson Mandela 46664 campaign and sponsoring cyclists in support of Children in the Wilderness (helps children orphaned or affected by HIV/AIDS)
- We assisted Inn Safe Hands, a haven for abandoned and at risk children in Schauderville, Port Elizabeth by providing funding for their building and also giving our time in 2006. We provide ongoing support to the home by sponsoring needs of young orphans there. We are also sponsoring the schooling of one of the children at the home, and are looking to sponsor a second child this year
- We contribute financially to the Ready For Life Programme, which prepares Grade 10, 11 and 12 learners for real life experiences. Our contribution enabled two schools in disadvantaged areas in Port Elizabeth to benefit from this programme
- We have contributed to numerous other projects, ranging from sponsorship of sports development for underprivileged children through to Cheshire Homes donations and HIV/AIDS Haven donations

Diversity and employee development programmes

- We have embedded transformation into all our strategic initiatives e.g. through “Jozi 2010”, the Private Bank Johannesburg branch has identified black talent and potential leaders. Through the project teams, people are exposed to strategic issues and given an opportunity to grow beyond their daily role



- We strongly support Investec's bursary programme and continuously identify training needs and development opportunities. Each team has a training budget for external training over and above the bursary programme. Each leader is measured on the development of his/her staff
- We spent just over 2.1% of payroll on training in the past financial year, of which 0.84% was for black employees. We increased the number of black employees in the past financial year by 2.3%

Environment

- Our Pretoria branch re-cycles all paper and the money earned from the sale of this paper is used to purchase food and toys for child-care organisations in informal settlements around Pretoria. We also collect clothing and toys from staff for this project
- We have installed an online building management system to enable us to run air-conditioning as efficiently as possible

Investec Private Bank, UK

Our support of Outward Bound, an organisation which enables young people to fulfill their potential through outdoor activities, has enabled underprivileged children to attend programmes throughout the year. This overlaps with our initiative with Morpeth School in East London.

We partnered with our clients in contributing to the following organisations:

- Cancer and Leukaemia in Children
- The Variety Club
- Laniado Hospital
- Norwood and Jewish Care
- Popli (promotes the education and welfare of children and young persons worldwide)
- Dyslexia Day Centre
- Jersey Sports Association for the Disabled in the Channel Islands

In Switzerland, we have sponsored the Anglo Suisse Artistic Foundation for two years to give public performance opportunities to young talented individuals.

Our staff participated in group initiated activities, ranging from "Team Green" (seeking to reduce the waste and energy use of our premises) to participation in the Morpeth initiative and fund raising activities.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

Economic

We have achieved very strong growth in the past two years, placing pressure on our systems, processes and resources. The focus for the coming year will be to continue stabilising our infrastructure, to build environmental and social awareness into our lending decisions, and to revitalise our culture.

Environment

Our environmental sustainability initiatives relate to education and awareness and "quick-win" strategies to minimise our consumption of resources.

Social

Our approach to social sustainability will differ by region because of differences in local conditions. Ongoing areas of focus will include the pursuit of educational initiatives to build entrepreneurs and mathematical skills; the indirect creation of job opportunities through our procurement policy and enterprise development initiatives, and the continued advancement of black professional development in South Africa.



Investment Banking

Description of activities, and reach

We engage in a range of investment banking activities, including corporate finance, institutional stockbroking, direct investments and private equity. Further detail relating to each of these can be found in the [2007 Annual Report](#)

We are established as one of South Africa's leading domestic corporate finance houses, focusing on the provision of corporate advisory services to large and mid-capitalisation companies. In addition, as a result of our local knowledge and expertise, we are well placed to take advantage of opportunistic, direct investments in connection with corporate advisory transactions in which we have been involved.

In the UK, we operate our Investment Banking division under the name Investec Investment Banking and Securities, which trades as Investec. We focus on two distinct activities: corporate finance and institutional broking, both specialising in mid-market companies. We also provide institutional broking services to large capitalisation companies where we have strong research capabilities and additionally have a small managed private equity portfolio.

Q and A section, Investment Banking – South Africa

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group's philosophy on Our Business Responsibility mean to your business?

We are in the process of defining this. From a high level, we should be able to arrange our activities to contribute to more sustainable use of resources and reduction of global warming. Precisely how to do this will be an area of focus in the year ahead. As our activities revolve around interaction with, advice to and influence over corporate clients and investments, we hope, increasingly, to use our position to ensure strategies in these corporates in line with Our Business Responsibility. We are also guided by the group's philosophy in our investment decisions.

What is the business case for Our Business Responsibility from the perspective of your business?

The reputation of Investec as a socially responsible company is key to ensuring that we are viewed as an attractive partner by prospective investee companies, most of which place great value on the reputation of their shareholders.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

At this stage, our approach is driven by the group's philosophy, as well as by environmental legislation and the trends that influence our clients and the companies we invest in. More and more, however, we anticipate that the market will start allocating value or a premium to businesses that behave in a sustainable manner.



What components of sustainability has your business unit chosen to concentrate on?

To date, our main emphasis has been to further black economic empowerment by supporting the development of black entrepreneurs, as well as to support entrepreneurship and education through our investee companies, many of which have created broad-based trusts as shareholders of their businesses. We also support the growth and development of CIDA Empowerment (Pty) Limited, in terms of time, advice and financial assistance for working capital and deal finance.

The environment is a new focus. While we have committed to the group's initiative to reduce paper consumption during the financial year, we will need to do further internal strategising to determine how else to incorporate environmental considerations into our spheres of influence.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

At this point, we are only doing the basics. Our teams will have to decide how far they are prepared to go along the sustainability continuum. As shareholders of investee companies, we are essentially doing all that we can as a minority shareholder and funder of businesses. It is, however, always clear to our partners that the issues above are important to Investec.

A number of our investee companies, namely Tiso and Shanduka, have created foundations that have already undertaken significant projects supporting entrepreneurship and education in the country. This will continue and increase as each of our platforms creates further value and distributes cash to broad-based beneficiaries.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

To date, we have merely chosen to concentrate on the requirements of the Financial Sector Charter pertaining to certain aspects of sustainability. We will, in time, develop additional metrics once we have agreed the objectives of our broader sustainability approach.

With reference to the company investments in which we are active as shareholders, we try to ensure that all seek to comply with international best practice, and not merely the requirements of the South African operating environment.

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

One of the investments in our portfolio has approved capital for a project that will ensure the company releases no effluent into the environment by 2010. Our association with this project was contingent on these environmental targets being put in place.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

This remains to be seen, and will flow from internal processes.

Q and A section, Investment Banking – UK

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.



What does the group's philosophy on Our Business Responsibility mean to your business?

Financial stability and the creation of value are the key elements of our business, for our shareholders, employees, and institutional and corporate clients. We are also developing expertise in the renewable energy and biotech sectors, while adhering to the group's philosophy toward society and the environment.

What is the business case for Our Business Responsibility from the perspective of your business?

Reputation and integrity are key to a successful investment banking business: quoted companies rely on us for impartial advice, while institutional investors base investment decisions on our research offering. In particular, our clients now include a number of SRI (Socially Responsible Investment) Funds which expect our analysts to provide insight into the ethical practices of the companies we research.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

Increasingly, sustainability is being driven by the demands of our clients and our areas of specialisation.

What components of sustainability has your business unit chosen to concentrate on?

Economic - This involves the creation of long-term value for clients, employees and shareholders.

Environmental - We are looking to develop our expertise in the renewable energy sector and to minimise our use of resources and our impact on the environment.

Social - We undertake ongoing analysis of staff training requirements and provide suitable opportunities. We also make contributions to charitable organisations, support clients' charitable activities and are developing our expertise in the biotech sector.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

It is early days in the evolution of our thinking on the topic and, as things stand, we are merely doing the basics. However, we have made a substantial investment in Idatech LLC, a US company specialising in the development of fuel cell technology.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

These are still to be developed but, in South Africa, our stockbroking business is mindful of, and monitors its response to, the requirements of the [Financial Sector Charter](#).

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

We will continue to focus on our existing initiatives. We are looking to increase specialisation within our Corporate Finance department, which will assist us in increasing our depth and breadth in the renewable energy and biotech space. Growing our business in a competitive environment remains our major sustainability focus.

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

Our investment in Idatech LLC and our initiation of biotech coverage were the two key developments during the period.



Capital Markets

Description of activities, and reach

The Capital Markets division provides a wide range of specialist products, services and solutions, in each of our principle geographies, to select corporate clients, public sector bodies and institutions. The division undertakes the bulk of our wholesale debt, structuring, proprietary trading, capital markets and derivatives business.

We focus on the following activities:

- Asset and liability management
- Financial Products and Principal Finance
- Structured and Asset Finance
- Project Finance
- Commodities and Resource Finance
- Interest Rates
- Fixed Income
- Corporate Treasury
- Foreign Exchange
- Equity Derivatives

Further detail relating to each of the above can be found in the [2007 Annual Report](#)

Q and A section, Capital Markets - South Africa

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group's philosophy on Our Business Responsibility mean to your business?

We provide financing options to corporate and institutional clients to enable growth organically or through acquisitions. In identifying our clients, we are conscious of the group's philosophy and attempt to align ourselves with clients and options which have a positive influence on both the environment and the communities in which our financial support would be felt.

What is the business case for Our Business Responsibility from the perspective of your business?

The changing economic landscape provides us with significant opportunities in the funding of capital and infrastructure projects. These will have not only an impact on lives of people either directly or indirectly but also in preserving the environment. Furthermore, a growing number of clients are embracing the consequences of climate change and the depletion of natural resources, which leads to financing opportunities for us.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

South African entities have to adhere to international standards and are playing catch up with the rest of the world. In some instances, the commercial viability of ventures are made more economically attractive by the ability to trade carbon credits. In new sectors such as bio-fuels, our ability to leverage off our international experience in other jurisdictions gives us first mover and leadership opportunities.



What components of sustainability has your business unit chosen to concentrate on?

The South African Project and Infrastructure Finance team recently embarked on pursuing opportunities in alternative forms of energy such as renewable energy and bio-fuels, as the implementation of the energy white paper gathers momentum. As South Africa faces an energy crisis leading up to the World Cup in 2010, the government appears to want to portray a picture to the international community of a country that is sensitive to environmental considerations, which should allow for additional opportunities in this area.

Specialised Growth Finance is actively pursuing opportunities in the financing of entrepreneurial corporates wanting to grow their business. We also seek to assist previously disadvantaged communities in acquiring business by providing funding platforms, which enables economic benefits to be enjoyed by these communities.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

In the renewable energy space, we believe that we will be at the forefront of funding initiatives, arising from our ability to leverage off our international expertise. In our support for black economic empowerment transactions, we bring innovation to the market so as to ensure that transactions that might not otherwise have been concluded, are closed. In this respect, we go the extra mile.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

No measures have yet been put into place as our current initiatives are still embryonic as we wait for domestic policy, legislation and regulations to be finalised.

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

We employed a bio-fuels specialist in our Project and Infrastructure Finance unit.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

We are early in the evolution of our thinking around Our Business Responsibility. It is not anticipated that there will be new developments on this front; rather, we will look to consolidate some of our earlier efforts. We continue to follow developments in the bio-fuels and wind energy arena in South Africa and intend to pursue these when regulatory frameworks have been developed.

Q and A section, Capital Markets – UK and Australia

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group's philosophy on Our Business Responsibility mean to your business?

It means developing ways of using our skills and resources to bring capital to communities in need of capital or which traditionally have had limited access to capital. This applies to all Investec's core geographies. It also means financing alternative energy sources to help address climate change.



In all cases, we seek to combine sustainability with sound environmental procedures; all renewable energy projects, for example, have to undergo appropriate environmental approval procedures. Although we are not a signatory to the Equator Principles, we expect projects to be constructed in line with these.

Shareholders' interests are also safeguarded: investments in sustainable businesses are made on a commercial basis.

What is the business case for Our Business Responsibility from the perspective of your business?

Our business case is to invest in new markets, which have not had the benefit of competitive access to capital, or in the growing demand for renewable power (wind and solar). This provides sound financial returns and the opportunity to achieve above average growth.

Shareholders, employees and clients are becoming increasingly concerned with poverty and development issues and global warming. Our part in addressing these therefore also helps address stakeholders' non-financial and financial interests.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

The financial benefits of creating a market leading position in emerging sectors and businesses, community interests and stakeholder concerns are all motivating factors.

What components of sustainability has your business unit chosen to concentrate on?

Key areas of our sustainability focus are:

- Arranging and providing financing for the development of new infrastructure and the development of natural resources in emerging markets. Examples include acting as financial adviser/arranger for the Metro North (MRT 8) project in the Philippines, sub-sea telecommunications links to the Republic of Vietnam and port facilities in India
- Arranging and providing financing for renewable power, including over 500MW of wind power in Europe, Australia and New Zealand and bio-fuel projects in the US and Australia generating some 700 mio litres of ethanol a year
- Providing capital to borrowers with limited access

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

We are going the extra mile by seeking to be at the forefront of the market. The 100 mio litre Dalby (Australia) Ethanol project, for example, will be one of the first and largest production facilities in the country and is conceived to meet the government's renewable fuel targets.

Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

Profitability has been our traditional point of reference but as our thinking evolves on Our Business Responsibility obligations, we may look to introduce other benchmark measures.

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

All of the above represent new developments during the period.



What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

In the area of infrastructure, an example is the development of new infrastructure projects in India, Sub-Saharan Africa and South East Asia, covering telecommunications, healthcare and transportation. In renewable energy, we are involved in a new venture to develop solar power facilities throughout Europe, and further wind and renewable fuel ventures in Europe.

Asset Management

Description of activities, and reach

Investec Asset Management provides a comprehensive range of portfolio management services and products to institutional and retail clients. We are committed to achieving excellent investment performance, delivering quality client service and creating appropriate investment solutions that fulfil the needs of our clients. We have grown significantly since inception in 1991 in South Africa with R225 million of assets under management. Today, we are one of the largest managers of third party assets in Southern Africa, managing funds on behalf of individuals, retirement funds, insurance companies, government bodies, universities, corporations and other institutions. We are a multi-specialist investment manager and a market leader in specialist equity, fixed interest, balanced and absolute return funds. As at 31 March 2007, South African assets under management amounted to R238.5 billion.

Our operation in the UK was launched in 1998, following Investec's acquisition of Guinness Flight Hambro. This provided us with, as at the date of the acquisition, approximately £7 billion of additional assets, and the infrastructure of Guinness Flight Hambro's operations. During 1999 and 2000, the product platform was redesigned to focus on the creation of a domestic franchise in the UK for both the institutional and mutual fund businesses. We emerged from the restructuring as a multi-specialist investment manager with key strengths in UK and global equities and UK and global fixed income. Today, we have a strong brand in the UK and European mutual funds market and continue to penetrate the UK institutional market. As at 31 March 2007, UK and international assets under management amounted to £13.0 billion.

Further detail relating to each of the above can be found in the [2007 Annual Report](#)

Q and A section

The group's newly adopted philosophy on its sustainability approach refers to Our Business Responsibility, as follows:

In pursuit of sustainable profits, we seek to be a positive influence in all our business activities, in each of the societies in which we operate. We do this by empowering communities through entrepreneurship and education, recognising the true value of diversity and addressing the challenges posed by climate change and the use of natural resources.

What does the group's philosophy on Our Business Responsibility mean to your business?

Our commitment to sustainability and transformation is paramount and, given our exposure to developing markets from an operational and investment point of view, is particularly relevant. Our principles and strategy take into account our commitment to staff and our business and our involvement in broader communities.

What is the business case for Our Business Responsibility from the perspective of your business?

As an active asset manager, long-term sustainability is a core focus. We are required to actively manage client investments and their shareholder rights to the best of our ability, maximising long-term value for clients. A deep understanding of sustainability is fundamental to our reputation and track record as active managers, and as such is factored into all our internal research and investment processes.



In representing our clients' interests, we recognise the responsibility and fiduciary duties that stem from our considerable presence in certain markets. Our philosophy is to pursue corporate activity only in those instances where shareholder value can be enhanced and to consistently take a stand against policies that destroy shareholder value.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

Client expectations, and our obligations under the mandates we have been given, are our principal drivers.

What components of sustainability has your business unit chosen to concentrate on?

Managing our direct impacts

We act as a third party on instruction from clients to implement explicit investment mandates within the markets, designed to meet specific needs or obligations. As such, our discretion on funds at our disposal is not as wide as that of other industry players. However, we understand that even within the specialist mandates we manage, we are required to actively manage client investments and their shareholder rights to the best of our ability.

Education and partnering initiatives

We have various programmes, including investment-tailored trustee training, conferences and regular publications, aimed at empowering and educating our clients, retirement fund trustees and independent financial advisors. These initiatives focus on informing and updating clients on investment, economic and environmental issues and, wherever possible, we seek to introduce a degree of thought leadership on the subject being considered.

Employee diversity and skills development

We are committed to transforming into a more diverse and representative workplace. We undertake this by employing, developing, training and retaining an increasing number of professionals in all aspects of our business within an environment that promotes equal opportunities to people of all cultures and genders. Our employment equity strategy concentrates on creating a learning environment, ensuring equal opportunities in recruitment and providing growth and development opportunities for all employees.

Procurement

We aim to establish sound sustainable procurement practices that meet the challenges of our environment. This involves an awareness of both environmental and social issues in the sourcing process.

Corporate social investment

We are committed both within our business and as individuals to using our skills, experience and resources in creative ways to make a sustainable, positive impact on society. In addition to the formalised channels through which we fulfill our community responsibilities, many individual staff members have contributed their time, energy and personal funds to different causes.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?



In managing our direct impacts, we pursue various initiatives, some of which reflect our going the extra mile, some of which reflect our desire to assume a leadership position:

- Our analysts are required to report their views on management quality and corporate governance in their in-house research reports. Our principle is that we will vote by proxy either directly ourselves or through a recognised outsource provider and will vote against policies that destroy shareholder value. Maximising long-term shareholder value is key for our clients, reputation and track record as active managers
- We are a member of the Enhanced Analytics Initiative, an international collaboration between asset owners and asset managers aimed at encouraging better investment research that considers the impact of extra-financial issues on long-term company performance. Extra financial issues refer to fundamentals that have the potential to affect companies' financial performance or reputation in a material way, yet are generally not part of the fundamental analysis. They include future political or regulatory risks, the quality of human resources management, the environment, corporate ethics, risks associated with governance structures and stakeholder relations

In incentivising improved sell-side research on extra-financial company considerations, our membership focuses on the improvement of research coverage of African markets. Our intention is that this will contribute to the development of the continent's financial markets, resulting in both increased investment in Africa and a better economic growth rate

- We actively support the Tiso Private Equity Fund by assisting in raising assets and thereby the transfer of skills. The fund, which invests in unlisted businesses that require an empowerment partner, provides an effective vehicle to develop and support black South African businesses

Education and partnering initiatives

- Together with the University of Cape Town's Graduate School of business, we established the Investec UCT Trustee Education Centre. The programme aims to inform and empower trustees with the skills and knowledge to enable them to effectively manage the retirement savings of South African workers. This programme continues to set the benchmark in terms of both quality of education and independence
- We host conferences at which we share views on local and international markets with clients and other investors. These include bi-annual events in Botswana covering challenges facing the local economy and the Economist Business Forum in Namibia
- In South Africa, we continue to raise awareness about the Financial Sector Charter, and its requirements, through our quarterly client newsletter and reporting process. We have elected to report on our voting action in each quarterly report to educate clients on the importance of the voting rights attached to the shares that they own

Employee diversity and skills development

- We develop staff through a bottom-up approach and have a talent management programme, through which the Human Resources department monitors career growth and staff development using training and mentorship. We are committed to ensuring employment equity is integrated into all our practices, policies and environment
- People and culture are our two most important long-term success factors. To maintain the culture and monitor the development of our people more systematically, we have appointed Duncan Coombe as an independent consultant to assist in this process. Duncan will be working on all issues of people development, including talent management and leadership development
- We are committed to increasing the black talent pool within the South African investment industry. As such, and in line with the Department of Trade and Industry's Code of Good Practice on Black Economic Empowerment, our approach focuses on graduate recruitment followed by systematic development which provides appropriate training both internally and externally



Procurement

- As a major South African consumer, we believe in using our buying power not only to reward suitably transformed businesses, but also to signal our priorities and intentions. We aim to establish sound sustainable procurement practices and, accordingly, have set up an empowerment procurement philosophy that contributes to establishing a thriving domestic economy

We support black-owned businesses through brokerage allocation, building procurement and the use of black-owned and controlled IT suppliers

We use an electronic profiling system to manage our preferential procurement process and encourage suppliers to obtain external verification. We use the Financial Sector Charter recognition criteria to quantify procurement spend using the broad-based approach

Corporate social investment

- We have a deep corporate social investment (CSI) history and philosophy in our business. We have always sought to be an active and concerned corporate citizen, funding and participating in a broad range of CSI and local community initiatives

Environmental sustainability

- We identify strongly with concern for the planet. As such, we sponsored Lewis Gordon Pugh, a polar explorer and endurance swimmer, in some of his awareness creating pursuits this past year. Lewis completed both the Investec Thames Challenge and the Investec Maldives Challenge within the last 12 months. In completing the Investec Thames Challenge, Lewis became the first person to swim the entire length of the River Thames; while in swimming the Maldives challenge, Lewis's goal was to raise awareness of the effects that rising sea levels will have on low-lying countries like the Maldives. We continue to sponsor Lewis
- During the financial year, we completed our second annual climate change survey. Sent to FTSE350 companies, this initiative suggests that climate change is being taken increasingly seriously by companies across Europe. Over three quarters of respondents now claim to measure their emissions and more than two thirds report on them. This survey has become an annual event

South Africa

Developments in the last year include:

- Our continued sponsorship of the Institute for Justice and Reconciliation's Transformation Audit in South Africa. Designed to provide in-depth and freely available analysis on transformation of the economy, education, employment, poverty and inequality, this research has been used across industry and government and also in parliamentary debate
- Our ongoing support of the JL Zwane Community Centre in Gugulethu, Cape Town
- Our continued activities within the Investec Community Fund, which assists grass roots level projects in the greater Cape Town area. It receives support from staff both financially and in terms of "on the ground" assistance and contributes to a number of poverty relief, educational and emergency organisations

United Kingdom

- We focus on projects where we can collaborate with external partners and which facilitate personal engagement between staff and beneficiaries
- Climate change is an important issue to our employees and other stakeholders. As a consequence, we sponsored the awareness campaigns by long distance swimmer Lewis Gordon Pugh to raise public awareness. Staff actively participated, by swimming across the Maldives island group with him and supporting him on his quest



Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

We are active shareholders on behalf of our clients and exercise these shareholder rights actively in our clients' best interests.

We do not, however, have formal metrics in place, other than those related to black economic empowerment i.e. ownership, employment equity, skills development, procurement and corporate social investment.

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

Our sponsorship of Lewis Pugh and the incubation of our Social Responsibility Index (SRI) fund were notable new developments during the period.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

We have been incubating an SRI fund in South Africa, which we will look to take public in the new financial year.

The Investec TDi Fund is a balanced multi-asset SRI strategy fund. We seek to take advantage of investment opportunities with a long-term character, which benefit from an understanding of the risks and opportunities unique to the environmental, social and governance dynamics in the market.

The fund invests in listed equities, debt, cash and unlisted assets such as infrastructure and private equity. It offers the prospect of attractive absolute returns with an appealing socially responsible character over the long term, and will target institutional investors seeking exposure to a focused SRI multi-asset vehicle.

In the next financial year, we will launch a campaign entitled "Invest in your future", focusing on the continued exploits of Lewis Pugh. The main strand of this campaign will be the "Invest in your future" website, which will aim to bring climate change to the forefront of people's minds in South Africa. The website will be informative and provide competitions relating to climate change and newsletters to those who sign up.

Property Activities

Description of activities, and reach

Services provided by our Property business in South Africa include management of property investment funds (listed and unlisted), property trading and development, property administration and listed property portfolio management.

Property assets under administration grew to approximately R25.9 billion (2006: R19.8 billion) by financial year-end, an increase of 31.0%, making us one of the largest property managers in South Africa. Subsequent to the year end we sold our property fund management and property administration businesses to Growthpoint Properties Limited.

We are making progress in extending our property model in the UK to include property fund management and aligning the strategic focus of the UK business with that of South Africa.



Q & A section

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What does the group's philosophy on Our Business Responsibility mean to your business?

We subscribe to all the essential tenets of the group's philosophy and, in particular, believe in empowering the communities we operate in through entrepreneurship and education. Environmental considerations are a growing focus.

What is the business case for Our Business Responsibility from the perspective of your business?

Our business case is driven by the need to balance delivering sustainable returns (i.e. profitability) to shareholders of Growthpoint, the JSE-listed property fund managed by Investec Property Group, with our commitment to empowering communities through new initiatives which encourage entrepreneurship. A large portion of our business occurs as a consequence of our relationship with Growthpoint; however, as part of the Investec group, we subscribe to the group's philosophy on being a positive influence in this regard. Increasingly, our market is demanding the need for greater environmental awareness, and this will be a keen area of focus going forward.

What are the factors driving this (e.g. market opportunities, shareholder/stakeholder demands, client expectations, first-mover advantage, leadership opportunities)?

Growthpoint shareholder demands dictate that the primary objective of our role is to ensure that the service provided, through contractual arrangements, is of the highest possible standard. Market opportunities enable us to attain economies of scale in achieving the objectives of the group and Growthpoint. Through activities such as acquisitions, opportunities exist to implement our objectives more readily.

What components of sustainability has your business unit chosen to concentrate on?

With strong growth over the past few years, our primary preoccupation has been to integrate and bed down acquisitions, sustain our business, develop our people and meet changing legislative requirements. Intense operational and bottom line focus has delayed a cohesive sustainability philosophy and process, other than to move towards meeting the requirements of the Financial Sector Charter.

Recent initiatives, however, include the establishment of a property sector offering for entrepreneurs, in association with The Business Place. Growthpoint, will sponsor a property sector entrepreneurship development programme that will encourage the development of black entrepreneurs with skills to provide to the property sector. Services offered include electrical, plumbing, cleaning, security, painting and other property maintenance services. With a portfolio of some 430 retail, office and industrial properties nationwide, Growthpoint will be able to channel substantial expenditure towards supporting black entrepreneurs who have been developed by The Business Place.

To what extent are you pursuing your division's chosen components of sustainability? Are you doing the basics, going the extra mile or looking to assume a leadership role where possible?

To date, we have only been doing the basics. With our new Business Place venture, we will start with "bite size chunks" so as to deal with this project realistically. We believe the project has the potential to snowball, so our having the right foundation will assist in implementing the strategy successfully and on a larger scale. We believe that our new green focus will enable us to take a leadership position in the industry, over time, and it's our intention to do so.



Have you put in place any specific performance metrics, or measurement tools, to monitor progress over time?

None, other than those required as part of our commitment to meeting the objectives of the Financial Sector Charter. However, our new-found association with The Business Place will enable us to determine whether our new entrepreneurship project is making a tangible difference to entrepreneurs operating in the sector.

Provide details of any new sustainability activities, transactions or initiatives that occurred during the reporting period, which represent a change or an advance on what was reported last year.

New activities include the property sector initiative with The Business Place, expected to come to fruition in the new year.

Our association with the consortium involved in developing the Huddle Park Golf Course attracted some negative media publicity during the period. However, we have been instrumental in ensuring that the project is likely to be a precedent-setting one, in terms of how a responsible development can take place on a degraded site. Having commissioned independent environmental assessments of the wetland areas involved, as well as additional studies of the cultural heritage site, we have included both considerations into an integrated planning lay-out, which will allow for the retention of a large portion of private and public open spaces.

What new sustainability initiatives is your business unit likely to pursue during the coming financial year?

Our philosophy on green building design is to develop more effective buildings by using natural resources more efficiently or reusing resources. This will not only benefit our environment by limiting over-use of resources but also create a healthier environment for users and help set a trend for the rest of the industry. As part of our standard design criteria, we will focus on the following:

- Installing energy sufficient light fittings and control gear. All buildings will be equipped with electronic light fittings, energy saving lamps and automatic switch gear
- Paying special attention to designs of buildings in terms of shape, dimensions and orientation to direct sunlight
- Making better use of natural light
- Designing more thermal efficient buildings shells with zero toxicity
- Using advanced material to enhance R-value in ceiling insulation
- Re-using construction material i.e. demolished material for landfill / stabilising material
- Minimising water wastage by using modern low toilet flush systems
- Planting indigenous plants that require less water

We will be focusing this year on a staff awareness programme to instil our philosophy and improve green building development concepts and skills.

Global reporting index

Investec's 2007 OBR report is based on the G3 Guidelines

GRI element		Comment	Reference in Investec reports
Strategy and analysis			
1.1	Statement from executive		Introduction to Our Business Responsibility



			2007 Annual Report
1.2	Key risks and opportunities		Introduction to Our Business Responsibility 2007 Annual Report
Profile			
2.1 - 2.10	General organisational details		Investec at a glance Financial snapshot 2007 Annual Report
Report Parameters			
3.1 - 3.12	Report scope		About this report Introduction to Our Business Responsibility
3.12 - 3.13	Profile of the report - including implementation of GRI principles and external assurance	No external assurance has been provided.	About this report Introduction to Our Business Responsibility
Governance, commitments and engagement			
4.1 - 4.3	Investec structure and governance		Corporate governance
4.4 - 4.10	Overarching policies and management systems		Corporate governance 2007 Annual Report
4.14 - 4.17	Stakeholder engagement		Corporate governance 2007 Annual Report
Economic performance indicators			
EC 1 - 4	Economic value generated and distributed, climate change	Not applicable to financial services company. Refer to the financial snapshot	Financial snapshot 2007 Annual Report
EC 5 - 7	Market presence	In place but not publically available	
EC 8 - 9	Indirect impacts		Our indirect impacts
Environmental performance indicators			
EN 1 - 2	Material use	Due to the nature of our activities, the direct environmental impacts associated with the management of our business are comparatively minor	Our operational impacts
EN 3 - 7	Energy use		Our operational impacts
EN 8 - 10	Total water use		Our operational impacts
EN 10 - 15	Biodiversity		Our operational impacts
EN 24	Emissions effluents and		Our operational impacts



	wastes		
EN 26 - 27	Environmental impacts of products/services		Our operational impacts
EN 28	Incidents and fines		Our operational impacts
Social performance indicators			
Labour practices and decent work			
LA 1 - 3	Workforce breakdown and employment creation		Appendix II 2007 Annual Report
LA 4 - 5	Labour / Management relations		Our employees Appendix II
LA 6 - 9	Health and safety issues		Our employees Appendix II
LA 10 - 12	Training and education		Our employees Appendix I Appendix II
LA 13 - 14	Diversity and opportunity		Our employees Appendix II
Human rights			
HR 1 - 9	Policies with respect to the promotion of human rights		Our employees Appendix II
Society			
SO 1 - 8	Policies to manage impacts on communities, to address bribery and corruption, political contributions and anti-competitive behaviour		Appendix II
Product responsibility			
PR 1 - 9	Policies for preservation of client health and safety in using products	Not applicable to a financial services company	

Appendix I

Relevant HR statistics

Employee Assistance Programme (EAP)

South Africa *
1 April 2006 to 31 March 2007
Total number of employees who received counselling: 1 237 (705 in person and 532 by telephone)
Total number of employees who attended education / life skills presentations: 1 296
1 April 2005 to 31 March 2006
Total number of employees who received counselling: 1 139 (660 in person and 479 by telephone)
Total number of employees who attended education / life skills presentations: 1 197
***The figures for the 2006 have been restated due to the system enhancement.**
UK*
1 April 2006 to 31 March 2007
The total number of employees who received counselling: 12
***Comparable figures for the UK programme are not available, as the programme only launched towards the end of the 2005 / 2006 period.**
Australia*
1 April 2006 to 31 March 2007
The total number of employees who received counselling: 15
***Comparable figures for the Australia programme are not available, as the programme only recently launched the program,**
Group training spend

	Males (£)		Female (£)		Total (£)		Total (R)	
Year to 31 March	2007	2006	2007	2006	2007	2006	2007	2006
Private Client Activities	229 186	322 966	287 333	274 847	516 519	597 813	6 911 026	6 833 000
Capital Markets	219 336	185 694	122 050	76 893	341 387	262 588	4 567 755	3 001 377
Investment Banking	70 580	94 335	39 075	32 963	109 655	127 298	1 467 181	1 455 018
Asset Management	100 497	133 017	72 479	107 489	172 976	240 506	2 314 419	2 748 983
Property Activities	41 447	82 155	59 888	86 760	101 336	168 915	1 355 870	1 930 701
Group Services and Other Activities	189 504	190 263	147 420	231 266	336 924	421 528	4 508 048	4 818 063
Total South Africa	850 550	1 008 430	728 245	810 218	1 578 797	1 818 648	21 124 299	20 787 142

Private Client Activities	248 553	231 137	60 255	33 322	308 808	264 459	4 131 851	3 022 766
Capital Markets	272 197	274 139	129 694	110 087	401 891	384 226	5 377 302	4 391 703
Investment Banking	3 195	47 572	2 050	13 892	5 245	61 464	70 181	702 534
Asset Management	183 678	139 044	108 289	62 745	291 967	201 789	3 906 518	2 306 448
Property Activities	-	2 573	-	-	-	2 573	-	29 409
Group Services and Other Activities	382 311	240 615	387 423	164 476	769 734	405 091	10 299 041	4 630 190
United Kingdom	1 089 934	935 080	687 711	384 522	1 777 645	1 319 602	23 784 893	15 083 051
Ireland								
	57 141	19 350	18 584	33 750	75 725	53 100	1 013 196	606 933
Australia								
	125 957	57 672	83 972	67 703	209 929	125 375	2 808 850	1 433 033
Total group spend								
	2 123 582	2 020 532	1 518 512	1 296 193	3 642 096	3 316 725	48 731 238	37 910 158
Group spend as a % of total staff costs								
	0.44%	0.52%	0.32%	0.34%	0.76%	0.86%	0.76%	0.86%

Health and safety

Total spend:

We are in the process of standardising our health and safety reporting statistics and will provide further disclosure in this regard in our next OBR report.

A total of 9 987 sick days were taken during the year ending 31 March 2007.

	2007			2006		
Health and safety (these deaths include IHV/AIDs deaths)	SA	UK and Europe	Australia	SA	UK and Europe	Australia
Total number of sick days leave taken	7 549	2 044	394	7 356	920	340
Total number of occupational injuries	6 injuries and 7 deaths	11 injuries	1 injury	3 injuries and 1 death	4	3

HIV/AIDS

Investec's HIV/AIDS Policy and Management Programme is specific to the South African business, with the programme extending to all permanent employees in South Africa. The 24-hour call centre is available to both temporary and permanent employees and their families.

Implemented by the South African HIV/AIDS Management Forum, a grouping which includes representatives from the different business divisions, the programme offers a number of workplace-related interventions, including voluntary counselling and testing, preventative and awareness programmes, and monitoring and feedback.

The demographic projection results of our actuarial assessment dated October 2006 reflect a prevalence rate of 5.2% of the permanent workforce. The current prevalence rate based on VCT results is 3.9%.



The associated costs and losses of HIV/AIDS in the workplace are not known but, as previously reported, we took the decision to implement a comprehensive HIV/AIDS programme on the basis of the results of an earlier actuarial study that we had conducted, which suggested that this would be a more cost-effective option for the organisation than doing nothing.

Our voluntary counselling and testing exercises continued throughout South Africa, with 574 employees tested during the past year. Twenty-seven of our permanent employees are registered on our HIV/AIDS Management Programme.

Costs associated with our HIV/AIDS Management Programme (only applicable in South Africa)
Year to 31 March 2007 - total expenditure = R867 663
Year to 31 March 2006 - total expenditure = R503 424

The following table outlines our responses to HIV/AIDS, using the draft Global Reporting Initiative's Guidelines for reporting protocol as a template:

Performance indicator	Topic	Description
	Good governance	
HIV1	Description of HIV/AIDS policy	Copy of HIV/Aids policy is available on request.
HIV2	Strategy for managing the HIV/AIDS risk	Employee risk An initial cost benefit analysis was carried out to determine the potential cost if nothing was done versus the cost of implementing a comprehensive HIV/AIDS management programme. An actuarial assessment of risk was completed using the ASSA 2000 model and calibrating with actual death and disability experience over the preceding three years. The assessment found that it would be cheaper to treat HIV/AIDS infected employees with anti-retroviral drugs and to minimise future HIV infections with a rigorous programme of AIDS awareness and education, coupled with voluntary counselling and testing drives.
HIV3	Extent of preparedness and contingency planning in anticipation of expected HIV/AIDS impacts	With an extensive drive on voluntary counselling and testing, we hope to have a clear view of the future risk in terms of HIV including both the prevalence and maturity of the disease within the organisation. We will know which salary bands are most affected and what the potential impact will be, which will allow us to plan effectively. Ongoing analysis is conducted (i.e. absenteeism analysis, actuarial assessment of experience, analysis of utilisation of the programme within different salary bands and regions). Monthly utilisation reports are prepared, giving an indication of uptake of voluntary counselling and testing, access of treatment, utilisation of 24 hour medical call centre, psychological counselling and attendance at awareness initiatives. Death and disability rates are monitored on an ongoing basis.
HIV4	Monitoring of progress and reports in respect of indicators 1 -	Ongoing analysis is conducted. This includes absenteeism analysis, actuarial assessment of experience, and analysis



	3 above	of the use of the HIV/AIDS programme within different salary bands and regions. Monthly usage reports are prepared on the uptake of voluntary counselling and testing, access of treatment, use of the 24-hour medical call centre, psychological counselling and attendance at awareness initiatives. Death and disability rates are monitored on an ongoing basis, both in terms of our own employees as well as our client base.																					
HIV5	Stakeholder involvement in formulation of policy, strategy and implementation	Human Resources, AIDS Forum and management. The Aids Forum comprises representatives from different divisions.																					
	Measurement, monitoring and evaluation																						
HIV6	Prevalence rates	Actuarial assessment rate of 5.2%. The current prevalence rate based on VCT results is 3.9%																					
HIV7	HIV/AIDS-associated costs and losses	Not known.																					
HIV8	Total assumed future HIV/AIDS-associated costs and losses	<table border="0"> <thead> <tr> <th></th> <th>Without intervention</th> <th>With intervention</th> </tr> </thead> <tbody> <tr> <td>Sick leave</td> <td>R105 610 926</td> <td>R56 436 897</td> </tr> <tr> <td>Productivity drop</td> <td>R252 779 942</td> <td>R135 081 811</td> </tr> <tr> <td>Recruitment and training</td> <td>R27 801 901</td> <td>R14 418 265</td> </tr> <tr> <td>Treatment</td> <td>-</td> <td>R84 297 939</td> </tr> <tr> <td>Total cost until 2020</td> <td>R386 192 769</td> <td>R290 234 912</td> </tr> <tr> <td>Net saving</td> <td></td> <td>R95 957 857</td> </tr> </tbody> </table> <p>These cost projections were done in June 2005</p>		Without intervention	With intervention	Sick leave	R105 610 926	R56 436 897	Productivity drop	R252 779 942	R135 081 811	Recruitment and training	R27 801 901	R14 418 265	Treatment	-	R84 297 939	Total cost until 2020	R386 192 769	R290 234 912	Net saving		R95 957 857
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Net saving		R95 957 857																					
	Workplace conditions and HIV/AIDS management																						
HIV9	Workplace-related HIV/AIDS programmes and interventions	We drive and fund the programme but outsource the services to an external service provider to ensure complete confidentiality for employees.																					
HIV10	Budget allocation	R992 629																					
	Death/quality/sustainability of programmes																						
HIV11	Voluntary counselling and testing	Regular on-site voluntary counselling and testing sessions are provided to all employees and these are completely confidential. Employees who do not wish to have an HIV test on-site are able to go to a doctor, hospital or laboratory of their choice – they do not have to pay a fee and results are confidential. All on-site voluntary counselling and testing sessions are provided by external professional service providers, and follow the World Health Organisation protocol on voluntary counselling and testing. This includes individual pre- and post-test counselling and signing of an informed consent form. All sessions are preceded by group information sessions that provide employees with the knowledge they need to make an informed decision. Voluntary counselling and testing has been very successful throughout the country, with 574 employees tested during the financial year.																					



HIV12	Other support programmes	A curricular e-learning programme, AIDSInsite, provides employees with current information on HIV/AIDS, and gives managers guidelines on dealing with HIV in the workplace. A 24-hour medical call centre provides information on medical conditions, including HIV/AIDS. Nurses are experienced and trained to deal with HIV. The centre also provides outbound calls to follow up with HIV positive employees and to ensure that they are healthy and complying with the programme. Employees in need of counselling are referred to psychologists. Employees are able to see a doctor of their choice for treatment and do not need to go to a “network” or company doctor. If an employee does not have a doctor, the 24-hour call centre can recommend one. Drugs are delivered to an address of the employee’s choice and supplied at no cost to the employee.
HIV13	HIV/AIDS education and training programmes	AIDS education programmes focus on “knowing your status” and the fact that everybody who is sexually active is at risk of contracting HIV. It is hoped that this will assist in de-stigmatising the disease and encourage more employees to come forward for testing, as they won’t feel branded as “high risk” due to sexual preference, promiscuity or race. An annual HIV test is advocated and paid for by Investec.
HIV14	Condom and femidom distribution programme	We have condom dispensers in each of our buildings in South Africa.
HIV15	General health care provision	We have an Employee Assistance Programme, medical aid and a 24 hour personal wellness programme call centre.
HIV15	Additional benefits and support for employees sick, dying or deceased from AIDS-related conditions	We offer sick leave in terms of the Basic Conditions of Employment Act. Disability and death benefits are provided to all permanent employees. Disability benefits are monthly income benefits, so that an employee who is no longer able to work due to illness will be placed on disability until he/she recovers, dies or retires. ART treatment on our employee programme is continued if an employee is no longer able to work and is placed on disability.



Appendix II

Policies and procedures

Please refer below for a list of our policies and programmes.

South Africa	United Kingdom	Australia
Employee relations	Terms and conditions (contractual)	Employee relations
<ul style="list-style-type: none"> • Cellphone scheme • Disciplinary practice guidelines • Flexible work practice • Freedom of Association (no formal policy document) • Leave scheme • Motor accident claims practice • Motor vehicle scheme • Other benefits granted to employees • Retirement policy • Retrenchment policy • Sexual harassment policy • Transfer policy • Travel schemes 	<ul style="list-style-type: none"> • Annual leave • Confidentiality • Hours of work • Payment of salary • Pension plan • Probation • Salary review • Sickness absence • Special leave • Termination of Employment 	<ul style="list-style-type: none"> • Complaints policy • Equal employment opportunities policy • Freedom of association • Grievance policy • Leave policy • Retrenchment policy
Diversity and equal opportunity	Policies and procedures (non-contractual) Employee relations	
<ul style="list-style-type: none"> • Employment equity philosophy • Equal opportunities / anti-discrimination (no formal policy document) 	<ul style="list-style-type: none"> • Bullying and harassment policy • Disciplinary policy • Dismissal policy (non-discrimination) • Equal Opportunities • Flexible working hours • Grievance policy 	
Employee development and training	Employee development and training	Employee development and training
<ul style="list-style-type: none"> • Compensation and benefits* • Recruitment policy (not publicly available) • Staff share schemes • Training and skills development <ul style="list-style-type: none"> - Bursary scheme - MBA Bursary scheme 	<ul style="list-style-type: none"> • Compensation and benefits* • Education assistance policy 	<ul style="list-style-type: none"> • Compensation and benefits* • Education assistance scheme

Family/parenthood	Family/parenthood	Family/parenthood
<ul style="list-style-type: none"> • Maternity scheme • Paternity leave 	<ul style="list-style-type: none"> • Adoption policy • Maternity leave policy • Paternity leave policy • Parental leave policy 	<ul style="list-style-type: none"> • Parental leave scheme
Health and safety	Health and safety	Health and safety
<ul style="list-style-type: none"> • Disability procedure • HIV/AIDS policy • Occupational health and safety 	<ul style="list-style-type: none"> • Company medical scheme policy • Eye test policy • Health and safety policy 	<ul style="list-style-type: none"> • Occupational health and safety policy
Information technology	Information technology	Information technology
<ul style="list-style-type: none"> • Computer usage policy 	<ul style="list-style-type: none"> • E-mail and internet acceptable usage policy 	<ul style="list-style-type: none"> • Computer usage policy
Legal and compliance	Legal and compliance	
<ul style="list-style-type: none"> • Employee integrity policy • FAIS - Rendering of financial advisory and intermediary services to clients • Group business practice and compliance • Money laundering control • Whistleblowing and protected disclosures 	<ul style="list-style-type: none"> • Business continuity management policy • Data security and access to personal information policy • Search policy • Whistle blowing policy 	<ul style="list-style-type: none"> • Anti money laundering policy • Legal risk policy
Other	Other	Other
<ul style="list-style-type: none"> • Business casual attire policy • Statement on exclusion of child labour (no formal policy document) • Statement on forced labour (no formal policy document) 	<ul style="list-style-type: none"> • Dress down Friday policy • Dress policy • Internal transfer policy • Recruitment policy 	<ul style="list-style-type: none"> • Statement on exclusion of child labour (no formal policy document) • Statement on forced labour (no formal policy document)

* Refer to the Remuneration report in the [2007 Annual Report](#)

For further information on the policies and programmes listed above please contact the send your request to the following:

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