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## SUSTAINABILITY REPORT

### **WE TRUST AND EMPOWER OUR PEOPLE**

We thrive on complexity and change

**We respect the spirit of our agreements**

We strive to be good corporate citizens



Traditional values. Innovative ideas.

# CONTENTS

- 3 From our CEO to our Stakeholders**
- 4 Our Customers**
  - Profile
  - Material Issues
  - 2008 Objectives
  - Our Progress
  - 2009 Objectives
- 7 Our People**
  - Profile
  - Material Issues
  - 2008 Objectives
  - Our Progress
  - 2009 Objectives
- 11 Our Suppliers**
  - Profile
  - Material Issues
  - 2008 Objectives
  - Our Progress
  - 2009 Objectives
- 13 The Environment**
  - Our Impact
  - 2008 Objectives
  - Our Progress
  - 2009 Objectives
- 16 Our Community**
  - Profile
  - Material Issues
  - 2008 Objectives
  - Our Progress
  - 2009 Objectives
- 19 Regulatory summary**
- 19 Sustainability in numbers**
- 21 Engaging our stakeholders**
  - Who our stakeholders are
  - Frequently asked questions
- 22 Sustainable business practice governance**
- 23 Internal communication**
- 24 Sustainability guidelines and standards index**
- 24 About this year's report**
  - Focus and Materiality
  - Changes to This Year's Report
  - Scope of Report
- 24 Assurance statements**
  - Internal Audit Statement
- 25 Glossary**
- 26 Our details**



## FROM OUR CEO TO OUR STAKEHOLDERS

The past year has proved **CHALLENGING AND TURBULENT FOR GLOBAL MARKETS**, ALTHOUGH SOUTH AFRICAN BANKS **WERE LARGELY UNAFFECTED BY THE SUB-PRIME CRISIS.**

Declining market and consumer confidence, rising agro- and fuel inflation, and volatility in the global housing markets are some of the factors that have caused uncertainty and central bank concerns about liquidity, risks and regulatory considerations.

As a result of our concern about the risks of our exposure to the troubled world markets, which resulted in our Equities Trading Division declaring a loss, we commenced a process of reducing our positions on a controlled basis.

Notwithstanding the difficult local and global economic slowdown, we continue to deliver value. Our success is due to our recognition that sustainable business practices remain even more important than ever in times of uncertainty. We continue to apply traditional values with innovative principles throughout our business – from ethics and best practice to nurturing talent and embracing transformation. We produced excellent results in our Investment Banking, Private Equity and Treasury operations. Although local trading conditions may continue to be volatile, our ability to provide innovative solutions to infrastructure development and BEE finance, together with guiding our clients through complex market conditions, ensures that we remain valuable and relevant to our stakeholders.

We continue to invest in our strategic client relationships and technology platforms, introducing programmes to transform our operating systems, providing us with a further competitive advantage. We also ensure that our people, the current and future talent of the organisation, enjoy an environment that frees them up to outperform.



With the global imperative to reduce humanity's environmental impact, we voluntarily undertook our first carbon footprint audit, with the assistance of PriceWaterhouseCoopers. This provided us with a baseline and view of the areas in which we may further reduce our environmental impact. Our next step is to develop a Climate Change Management strategy. Through FirstRand Ltd, we are also considering the legal implications relating to project financing and the environmental and linked financial impact.

More than ever, corporate assistance to communities can help bring about a fundamental positive change to society. The RMB Fund provided just over R21 million – 1% of RMB's profits after tax – to Corporate Social Investment (CSI) projects. Underlying some of South Africa's skills concerns is a national lack of maths competency. We are focusing on investing in the development of maths literacy and maths teachers, as a primary CSI initiative.

Our growth over the last 30 years has been remarkable, and we could never have achieved this without practising sustainability throughout our business. We believe in the sustainable balance of doing good business and good work, and we continually strive to remain relevant to our customers, our staff, our communities and broader society.

Alan Pullinger, CEO

**RMB IS THE INVESTMENT BANKING ARM OF FIRSTRAND LTD. RMB CONSISTS OF THREE MAJOR OPERATING DIVISIONS, NAMELY INVESTMENT BANKING, FIXED INCOME, CURRENCY AND COMMODITIES (FICC) AND EQUITIES TRADING. WE ARE LISTED ON THE JSE TOP 40 INDEX AND SRI THROUGH OUR HOLDING COMPANY, FIRSTRAND LIMITED.**

# OUR CUSTOMERS

Our strategy is to **ESTABLISH STRONG, LONG-TERM CLIENT RELATIONSHIPS AND TO OFFER INNOVATIVE AND RELEVANT FINANCIAL SOLUTIONS THAT PROVIDE SIGNIFICANT BENEFITS FOR THE CLIENT**

## CUSTOMER PROFILE

Our core business is investment banking. We focus on large corporate clients that are usually listed on the JSE, Black Economic Empowerment (BEE) companies, multinationals operating mostly in southern Africa, financial institutions and various public sector entities.

Our clients typically operate in the following sectors: manufacturing, transport and logistics, infrastructure, mining and commodities, leisure, building and construction, healthcare, retailers, telecommunications and media, financial services and the public sector.

## MATERIAL ISSUES TO CUSTOMERS

Through our regular interaction with regulators, clients and other stakeholders, we identified that our clients expect us to:

- Operate with integrity and honesty
- Comply with the regulatory framework
- Achieve the transformational imperatives set out by the Financial Sector Charter (FSC)
- Understand their investment banking needs
- Offer quality products and services

## OUR CUSTOMER OBJECTIVES

In 2007, we committed to the following customer-related objectives. We have reported on our progress in the next section.

Objective	Status	See 'Our Progress' Item
Supporting ongoing transformation in terms of the FSC	Ongoing	"BEE transformation"
Maintaining our culture of innovation	Ongoing	"Adding value to our clients"

## OUR PROGRESS

### Infrastructure finance solutions

Economic estimates from the government's Medium Term Expenditure Framework indicate that over R400 billion is needed to fund the development of infrastructure in South Africa over the next three years.

By providing financial solutions for the infrastructure sector, such as financing road, rail, port, water, electricity, housing and healthcare, we help to facilitate the development of the country's infrastructure. Particular initiatives include:

- Co-arranging funding for the Gautrain Rapid Rail Link project
- Participating in the re-financing of Cahora Bassa
- Re-financing the N3 toll road

We will continue to fund the infrastructural needs of South Africa and other countries in Africa.

### BEE Transformation

BEE is a socio-economic imperative in South Africa and our commitment is shown through initiatives such as the following:

- We conducted 60% of all BEE transactions in South Africa in the past year
- As the largest solution provider within the FirstRand Group, we contribute significantly to the targeted investments (BEE and infrastructure financing) section of FirstRand's FSC targets. We will continue to play a major role in this arena and maintain our leading position
- We play a key role in advising, financing and facilitating the effective transfer of ownership of South African companies to a more representative base of South Africans
- We advise, structure and develop financing, and facilitated many significant BEE transactions in the past year.

We pay attention to the unique features and requirements of each client, and tailor solutions accordingly. Innovation is key to each transaction, and includes the use of the Employee Share Ownership Programme, vendor financing and hedging of certain funding components.

### Adding value to our clients

Our strategy is to establish strong, long-term client relationships and to offer innovative and relevant financial solutions that ensure significant benefits for clients. This is achieved largely

through a dedicated client relationship management team. In addition, we provide specialist product expertise across all aspects of investment banking through various multi-disciplinary product teams.

We ensure our relevance to clients in difficult market conditions by providing strategies and advice that help them with their changing financial needs. These include interest hedging instruments to help clients in volatile market conditions, and corporate advice and structured solutions for corporates, financial institutions and the public sector.

## CASE STUDY

### Anglo Platinum BEE transaction

This R10.6 billion deal will result in meaningful and sustainable empowerment in the platinum mining industry. We acted as joint advisor on the Anooraq and Mvela Resources transactions and transaction sponsor for the Employee Share Ownership Programme. We were the only advisor to have been involved in all three components of this landmark transaction.

**This transaction was broad-based and satisfied the requirements of multiple stakeholders. It required a multi-disciplinary approach with innovative financing.** RMB received the DealMakers magazine Deal of the Year 2007 for this deal.

## CASE STUDY

### Sasol's Inzalo

Sasol is the world's largest gas to liquids company. A R26 billion transaction to ensure broad-based participation by black South Africans in Sasol's shareholding marked the largest single broad-based BEE transaction in South Africa to date.

**RMB was the financial advisor and co-debt arranger to Sasol,** structuring and implementing the transaction. Sasol employees and black management, the Sasol Foundation, black-owned companies and members of the South African black public acquired approximately 10% of Sasol's share capital as a result of the offer.

## CASE STUDY

### Vodacom's BEE transaction

Vodacom is South Africa's largest cellular tele-communications operator. Its R7.5 billion transaction is designed to ensure meaningful empowerment in the South African telecommunications industry. **We are exclusively advising and structuring**

**this unique and complex broad-based BEE transaction,** designed to provide long-term, sustainable benefits to a broad-based number of participants.

Our ability to demonstrate client, product and market knowledge and blend these for the client's benefit is key to long-term relationships and sustainable business. We were awarded the Euromoney 2008 Best Investment Bank in South Africa, and Best M&A house in Africa.

We are also differentiated by our ability to combine our product expertise across a number of areas to develop innovative, multi-

disciplinary financial solutions to meet their unique needs. For example, the R10.6 billion Angloplats BEE deal, the largest mining sector BEE deal for the year in South Africa, involved three separate transactions.

As a company, we take our fiduciary duties very seriously, not only for regulatory purposes, but also to build meaningful and lasting relationships with our clients.

**IN LIGHT OF RECENT DEVELOPMENTS IN THE FINANCIAL SERVICES INDUSTRY, TRUST AND INTEGRITY ARE CRITICAL TO SUSTAINABLE CLIENT RELATIONSHIPS.**

### Recognition for our efforts

Our efforts for the year under review have been recognised through the following awards:

- Besa Spire Awards 2007: Best origination team, best securitisation team, best derivatives team (sales and structuring), best inflation-linked debt house, best primary markets house and best general fixed income research
- DealMakers magazine "DealMaker of the Year" 2007: Second in Mergers and Acquisitions based on Transaction Value and Transaction Flow. Second for Sponsor based on Transaction Value. Third for General Corporate Finance Transactions based on Transaction Flow. Fourth for Sponsor based on Transaction Flow.
- Risk Magazine: First for Interest Rate Options, Forward Rate Agreements, Currency Options and Metals. Second for US\$/ZAR Forwards
- PriceWaterhouseCoopers (PWC) survey 2007 on "Strategic and Emerging Issues in South African Banking": First in Mergers and Acquisitions, BEE Deals and Structured Finance. Third in Listings, Corporate Banking, Money Markets and Commercial Property Finance
- Ernst & Young Survey on Merger and Acquisition activity: Second for Value of Deals Advised for both Mergers and Acquisitions and as Sponsor, and joint second for Number of Deals advised on
- Euromoney 2008: Best Investment Bank in South Africa and Best M&A House in Africa
- Africa Rail Expo: Best small stand design

### IN 2009 WE WILL

Objective	Status	See 'Our Progress' Item
Continue to support FSC transformation	Facilitate BEE transformation by focusing on areas where our specific strengths lie (targeted investments) and facilitating infrastructural and BEE financing	% of BEE deals
Continue building and maintaining long-term client relationships	Enhance client relationship teams and initiatives. Invest in people and systems	Client feedback, repeat business
Provide innovative offering	As we understand each client's unique business, their industry and changing market conditions, we are able to tailor our offering to suit their specific requirements. These are often only appropriate for a certain period of time and are therefore non-commoditised	Client feedback, repeat business

# OUR PEOPLE

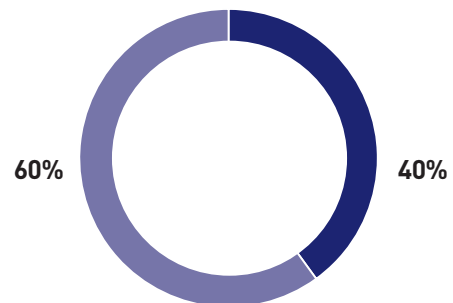
Attracting and retaining **TOP TALENT IS A STRATEGIC PRIORITY.** SUSTAINABLE LEADERSHIP AND DIVERSITY ARE OUR TWO MAIN MANAGEMENT FOCUS AREAS. **THROUGH OUR PEOPLE, WE ARE ABLE TO PROVIDE CLIENTS WITH INNOVATIVE SOLUTIONS**

## PROFILE

Our staff complement, as at June 2008, was 1 553 employees, which increased as a result of business growth. We have a flat operating structure, and functional roles include executive managerial and managerial leadership, income-generating roles such as specialist transactors, and specialist support, administrative and clerical.



2008 Workforce Profile by Gender



2008 Workplace Profile by Race



The majority of our permanent employees are based in our head office in Sandton. We also have employees in Cape Town, Stellenbosch, Port Elizabeth and Durban.

## MATERIAL ISSUES TO OUR PEOPLE

Through our informal, ongoing and stay interview engagements with staff, we determined issues of importance to staff.

## OUR PEOPLE OBJECTIVES

In 2007, we committed to the following staff-related objectives. We have reported on our progress in the next section.

Objective	Status	See 'Our Progress' Item
Attract and retain talent	Ongoing	"Talent attraction"; "Talent retention"
Bring diverse skills and experience into the bank	Ongoing	"Leadership"
Undertake industry capacity building initiatives and search for talent	Started	"Talent attraction"
Review options to extend reverse mentoring initiative to next level of RMB leadership	Being evaluated	"Leadership"

## OUR PROGRESS

### Employee value proposition improvement

In last year's report, we identified areas of focus to improve our employee value proposition, where our employees believed we were falling short. We have summarised our performance and feedback below.

Areas of concern to staff that have been addressed include the following:

- We developed a talent matrix model to provide more consistency in compensation where people are performing similar roles in different areas of the bank
- We improved people management by introducing a performance management process to encourage discussions between employees and managers and to clarify expectations. This will help improve relationships between employees and managers, and is input for rewarding performance
- We continued to develop managerial skills through the leadership programmes detailed later in this section.

We also continued to focus on ensuring diversity and investing in the skills of our people, by recruiting more black candidates into specialist transactor and management roles, and investing in the growth of Employment Equity (EE) staff. Our investment in EE staff is also related to succession planning. The lack of sufficient suitably skilled EE candidates across income-generating areas and equity accountants across the bank has channelled our investment into "growing our own timber". Our EE succession plan identifies high-performing EE employees and ranks them according to job proficiency, skills level and readiness for leadership.

We are confident that these efforts will result in RMB being well-positioned within the next two to four years to ensure a well-skilled staff base at senior level.

### Leadership

To ensure that we achieve our vision of becoming the South African investment bank of choice, we invested in sustainable leadership and diversity through initiatives such as:

- Our Chief Operating Officer (COO) leadership development programme, which equips young COOs to run businesses through influence rather than power, by giving them the tools to manage people

- Our in-house Leadership Development Programme (LDP), which was introduced in 2003 to develop leadership skills at all levels. Since revised, the LDP now targets high-potential employees, who are in roles where they are required to influence the behaviour of others. The LDP focuses on the leadership aspects of their role, to complement their professional, technical and management expertise. 140 people have attended the programme over the last 3 years, while around 83 people have become part of the newly launched programme. The LDP has proved successful, with people able to implement the learning in their daily interactions
- A Manager Training Pilot Programme, to explore how we can effectively retain our people. 20 managers are participating and will receive individual coaching to enable them to translate the learning into action
- An Immersion Programme, available to all new leaders, senior transactors and senior support people. Staff in these roles need to spend more quality time early in their employment with the executives of the bank, being exposed to their thinking and the RMB leadership philosophy
- Our "Class Of" Programme, which targets talented individuals with at least 3 years' working experience, who do not necessarily have a banking background. **We celebrated 10 years of the successful "Class Of programme"**. Recruits are placed in a dynamic learning environment where they are able to find the most appropriate outlet for their talent. They rotate through the various divisions for 2 to 3 years at their own pace. Many of the candidates have gone on to excel within and outside RMB
- The Reverse Forward Mentoring initiative, to promote understanding at executive level of diversity issues by pairing up the Chief Executive Officer function with an EE candidate. The pilot programme run with our operational board members proved successful and we are investigating the best way to implement this to the rest of the organisation

During the past year, to ease transition into the workplace, increase employee learning and improve mobility, we:

- Improved opportunities for people to move between departments by reworking our talent and performance management process
- Formalised our graduate programme, introducing a 3-week induction programme, monthly feedback, quarterly assessments, regular get-togethers and technical and soft-skills coaching

## CASE STUDY

### The RMB Academy

The RMB Academy has arranged a number of in-house learning events that allow employees to tap into the knowledge and skills base of the bank. One of these initiatives was the Fixed Income, Currency and Commodities (FICC) division's Game Show. The

objective was to allow people to share their technical knowledge about FICC, with different areas within FICC competing. This proved successful and will be run again next year.



- Assisted in graduates' transition to the workplace by strengthening our relationship with the University of the Witwatersrand (Wits) through our Fixed Income, Currency and Commodities team supporting the Wits Advanced Maths of Finance Honours class. Specifically, we provided students with books, bags and educational visits
- Developed and launched an e-learning platform, "Articulate", which allows users to develop and load learning material onto their computer. "STT" (a programme to develop e-learning training material for personal computer-based material) will be used to facilitate the sharing of system-based learning in the bank

The RMB Academy helps employees to develop learning plans to enable them to chart their growth over time, while supporting the business units' strategic objectives. The Academy continues to assist employees in sharing their knowledge through mentoring, technical coaching, small group learning sessions and a variety of other interventions.

## Talent attraction

Our employees are smart, passionate, driven to excel, and have the skills and capabilities to thrive in our dynamic environment. With great talent essential for our level of client service, the ability to attract and retain the top talent is a strategic priority. We therefore focus on a talent-sourcing recruitment programme to attract both skilled and inexperienced people who demonstrate potential.

During the past year, to further ensure talent attraction and retention, we also reorganised our recruitment approach and processes as follows:

- We employed a Head of Recruitment to partner the business in the attraction of talent
- We deployed Learning Consultants into the business units. Each unit now has a dedicated HR team, comprising a Recruitment Consultant, Organisation Development Consultant and Learning Consultant, to address their people and development issues
- We reorganised and increased the size of our recruitment team to support the bank's growth and search for talent
- We strategically realigned our relationships with our recruitment agencies, to ensure partnerships to assist us in acquiring investment banking skills in a highly competitive market. We also increased our placement fee to incentivise agencies
- We identified additional sources of talent by seeking skills from abroad, presenting RMB's business at forums such as The Homecoming Revolution and African recruitment summits
- We improved our efforts to market our Graduate Recruitment Programme at universities. This programme has grown in terms of numbers of recruits, and the way in which we seek to attract them. We are also considering offering bursaries to final-year "A" students from top South African schools

## Talent retention

In the area of talent retention, our strength lies in providing solid support structures, with minimum bureaucracy and rules which cripple ideas and flexibility.

During the year, we introduced a "Stay" interview, where employees are asked similar questions to those of the exit interview. The Stay interview enables us to gauge employee satisfaction, be more aware of employees' engagement and commitment, address concerns raised, and thus proactively retain our employees.

## People and performance management

We have also introduced a new performance management process to promote dialogue between managers and employees, and to clarify performance expectations upfront. We encourage employees to manage their own careers by setting their own targets in agreement with their managers. Managers are also expected to play a more coaching-type role in assisting employees in reaching their career aspirations. This helps to improve the manager-employee relationships, and is input for rewarding performance.

## Executive communication

We identified the need to ensure that employees are kept informed about all relevant business and people issues. Given the somewhat silo-nature of our business, business unit specific changes are often not communicated to the staff in some units. Our challenge is to ensure that employees engage with executive leadership. To achieve this, emails from our CEO communicate imperatives within RMB.

## Investment in operating and technology platform

Several bank-wide projects are under way to enhance our operating and technology platform. In the past financial year, these projects have resulted in bank-wide collateral management and exposure monitoring systems, reporting solutions to meet regulatory requirements and the design of target data architecture to support the platform.

We are now focusing on the implementation of a world-class financial reporting capability across all our business units, further development and implementation of core trading systems and the implementation of our target data architecture.

The new platform will be enabled by the implementation of Shared Service Centres for operational and support functions that are commonly used across the bank. These centres contribute to ongoing improvement and excellence in service delivery.

We are also developing an HR IT portal which will support the work of HR, Payroll and the RMB Academy. This portal will become the central point for all employee data.

## IN 2009 WE WILL

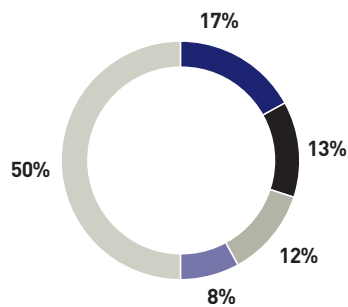
Objectives	Status	See 'Our Progress' Item
Attract and retain talent	<ul style="list-style-type: none"> <li>• Market RMB at universities</li> <li>• Continue to work with top-tier recruitment agents, search-firms and head-hunters to identify high performers in the market</li> <li>• Ensure compensation strategies are market related</li> </ul>	June 2009 for all 3 activities, and to determine the number of graduates who joined us through our marketing at universities and from recruitment agencies
Increase diversity of skills	<ul style="list-style-type: none"> <li>• Continue to partner with organisations such as Association of Black Securities and Investment Professionals, Association of South African Black Actuaries and Association of Women Chartered Accountants</li> <li>• Attend networking events to develop relationships to assist in our employment equity and diversity recruitment</li> </ul>	Determine by June 2009 if such partnerships and events have provided RMB with additional leads or sources of senior EE and female talent
Focus on employee HIV/Aids awareness and support where required	Roll out a programme together with ICAS (a behavioural risk management consultancy which RMB partners with to run our employee wellness programme), as part of our Live Life Well programme	June 2009

## OUR SUPPLIERS

We **create** and **MAINTAIN RELATIONSHIPS WITH BEE SUPPLIERS** WHO HAVE A SIMILAR BUSINESS PHILOSOPHY, VALUES AND OBJECTIVES TO OURS, **ENSURING A SYNERGY OF BUSINESS ETHICS AND UNDERSTANDING**

### SUPPLIER PROFILE

We have 2 582 active suppliers. Our main procurement spend categories are indicated below. We spent R186 558 000 in procurement across these categories.



2008 Main Procurement Categories

Professional Fees
Building Alterations
IT Costs
Travel related costs
Temp & Professional staff

### MATERIAL ISSUES TO SUPPLIERS

Through ongoing engagement with our suppliers, it became clear that their major concern is how the structure of the FirstRand Group with the many of the underlying operating divisions, subsidiaries and business units, operates for invoicing purposes.

### OUR SUPPLIER OBJECTIVES

In 2007, we committed to the following supplier-related objectives. We have reported on our progress in the next section.

Objective	Status	See 'Our Progress' Item
Promote ongoing transformation and ensure increased use of BEE-rated suppliers	Ongoing	"BEE transformation"
Appoint a procurement officer/manager	Complete	"Procurement policy and strategy"
Implement a suppliers' list	In progress	
Formalise a procurement policy and strategy	In progress	"Procurement policy and strategy"

## OUR PROGRESS

### Procurement Policy and Strategy

As a result of a lack of a procurement system, our decentralised procurement model, and a lack of appropriate controls around purchasing, approval and payment, we have been unable to effectively leverage existing supplier relationships across RMB and achieve our objectives. These include negotiated discounts and ensuring increased BEE transformation of our suppliers.

We have sought to address these challenges through the following initiatives:

- Appointment of a procurement manager to combine procurement efforts across RMB, and standardise spending patterns. The manager drives awareness of procurement imperatives within the business, thereby improving communication, encouraging appropriate buying patterns, and assisting with the achievement of BEE transformation objectives. The implementation of this role has resulted in substantial negotiated savings through consolidation of our procurement spend
- Development of a procurement policy, which addresses procedures for procurement. This is a work-in-progress as our needs and suppliers may change. A procurement strategy underpins the policy to ensure that we decrease costs and increase our BEE spend. We have developed the overall policy and are now implementing specific policies across the Group e.g. CAPEX and travel procurement

### BEE transformation

We believe that greater access to our procurement spend is a mechanism to increase economic inclusion in South Africa. Our approach to exposing new suppliers to our procurement-spend is three-fold:

- We ensure that we use more BEE rated suppliers
- We advise our suppliers about the transformation imperative
- We explain the BEE rating process

To achieve this, we encourage the divisions to use BEE suppliers. We have also helped to establish our suppliers' BEE status, supporting them through this process.

As a result of our efforts, we have increased the number and value of our procurement directed to black suppliers.

## CASE STUDY

### Makhuzeni Liquor store in Soweto

A highlight of our work with BEE Small and Medium Enterprise (SME) suppliers was the establishment of Makhuzeni Liquor store in Soweto. **Makhuzeni is a black-owned business that supplies refreshments to RMB.** Their service and quick

turnaround times reduce the need for us to hold large amounts of stock. We aim to establish similar ventures with other BEE SME suppliers.

## IN 2009 WE WILL

Objective	Activity	Target
Increase our BEE procurement spend	Encourage divisions to use BEE suppliers	Ongoing to meet transformation targets
Strategic outsourcing	Ensure that our sourcing is implemented according to the procurement strategy and plan. Reduce costs and ensure that we use the most appropriate suppliers for a commodity and service	

# THE ENVIRONMENT

As a diverse financial services operation, **WE CONSTANTLY STRIVE TO BE A GOOD CORPORATE CITIZEN.** ONE OF OUR RESPONSIBILITIES IS TO ENSURE THAT WE EFFECTIVELY MANAGE OUR IMPACT ON THE ENVIRONMENT. **WE CONTINUOUSLY USE OUR INFLUENCE IN THE MARKETS IN WHICH WE OPERATE TO ENCOURAGE SUSTAINABLE BEHAVIOUR**

## OUR ENVIRONMENTAL IMPACT

### Our direct Impact

Our direct impact is through our operations at 1 Merchant Place, Sandton. This property covers an area of 26 170 m<sup>2</sup> and has 1 435 employees, representing close to 100% of our operations.

Our presence in Cape Town, Stellenbosch, Port Elizabeth and Durban, as well as our international operations, are significantly smaller and, for the purposes of practicality, their direct impact has not been included in this report. In addition, as these offices are leased, we are not in a position to influence the building owner’s environmental impacts directly. This year, our response is based predominantly on the scope of our own carbon footprint assessment.

### Our indirect impact

As a financial services operation, we provide finance to clients in various sectors, including resources and infrastructure development. We are aware of the relevance of environmental and social risks and opportunities to us as a financial institution, and our consequent responsibilities: risks to communities and the environment must be reduced, and business opportunities that could benefit these stakeholders should be identified.

We also accept that the activities of some of our clients may have a direct impact on the environment and, through considered lending criteria and adherence to environmental guidelines, we aim to minimise our indirect impact.

We continuously use our influence in the markets in which we operate to encourage sustainable development.

## OUR ENVIRONMENTAL OBJECTIVES

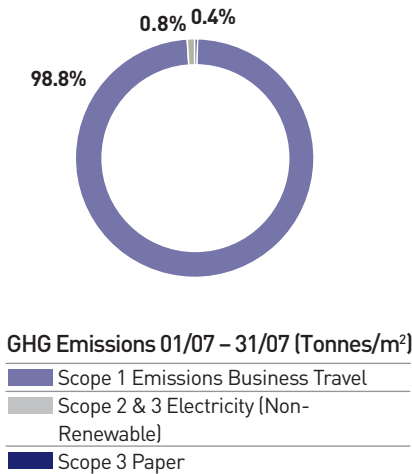
In 2007, we committed to the following environmental-related objectives. We have reported on our progress in the next section.

Objective	Status	See ‘Our Progress’ Item
Measure the effectiveness of our light-fitting replacement programme	Complete	“Electricity use”
Make a decision on the automation of hand-wash basin mixers	Complete	“Water use”

## OUR PROGRESS

### Carbon Footprint

FirstRand, as a signatory member to the Carbon Disclosure Project (CDP), contracted PricewaterhouseCoopers to calculate its carbon footprint. We identified our direct and indirect emission-causing activities categorised in accordance with the Greenhouse Gas (GHG) Protocol and ISO14064-1. We are extending the baseline of our first CO<sub>2</sub> footprint calculation (process to commence in FY 09). As a result, we expect that the results may show a slight increase compared to figures reported in this year.



Electricity is the major contributor to RMB's GHG emissions. Aggregate emissions associated with business operations equalled 17 149 metric tonnes (valued at R3 909 168), for the period January-December 2007.

The carbon footprint exercise has provided us with a baseline and a view of the areas in which we may further reduce our environmental impact. Our next step is to develop a Climate Change Management strategy to address findings. This is likely to include the development of engineering solutions, driving behavioural change through awareness and education interventions, and offsetting.

### Electricity Use

The reduction of electricity consumption in order to minimise carbon emissions has become a priority worldwide. Locally, energy efficiency has become increasingly critical, with the demand for electricity exceeding available supply. Our commitment to addressing this imperative is indicated by the following:

- The creation of a new Group Energy Manager role within FirstRand
- Replacing all incandescent light fittings with motion-sensor, power-saving lights, and replacing magnetic ballasts with electronic ballasts

- Installing a measuring facility at the end of May 2008. As a result, in June 2008, we saved R100 000 through a reduction of 24% in our kWh consumption for the month

### Water Use

We are also undertaking water saving initiatives, with the automation of our hand wash basin mixers due to commence in 2009. This requires the replacement of 90 handwash basin mixers with electronic mixers. The exact quantity of water consumption savings has not yet been determined.

### Waste Management

In the year under review we recycled 17.9 tonnes of paper, glass and plastic waste at our head office.

### Financing Environmental and Social Solutions

We are actively looking to finance energy-efficiency projects which address renewable energy, climate change, mitigation technologies, and energy-generating waste products.

As part of this objective, we are targeting Clean Development Mechanism (CDM) projects which will generate emission reduction credits. Our staff in London will market and trade these emission reduction credits in order to enhance their value, and facilitate environmental finance projects.

### Responsible Financing

We are aware of the need to formalise our corporate codes of conduct relating to the protection of the environment. We continuously explore opportunities to provide innovative financial solutions to address broader environmental imperatives, understanding the environmental challenges across emerging markets. We have also committed ourselves to responsible financing through the following:

- With FirstRand Ltd, we are considering the legal and extended implications relating to the financing of high-risk projects that could cause a negative environmental impact. Consideration for the environment in lending enables RMB to develop a strategy to mitigate risk, while strengthening client relationships
- We maintain an environmental risk policy that is aligned with the requirements of the Equator Principles. The objective of this policy is to effectively incorporate climate change, impacts on biodiversity, and the prevention of air, water and ground pollution into lending criteria and decision making. Should the FirstRand Ltd Group decide to become a signatory to the Equator Principles, the guidelines will initially only be applied to RMB's Project Finance division. However, these guidelines may also apply to the financing of all projects that could have an impact on the environment, and are regulated by the National Environmental Management Act in South Africa, and in accordance with global practice

## Environmental Risks

All clients requesting finance for projects with potential environmental risks and impacts complete an Environmental Impact Assessment. In this way, environmental legislation, stakeholders, affected parties and all other risk considerations are taken into account.

We updated our Risk Universe to reflect strategic macro and financial environmental and social risks and opportunities that

the business should remain cognisant of. The Strategic and Business Risk dashboard is updated monthly for executive management, and presented to the FirstRand Banking Group Risk, Compliance and Capital committee review and approved on a quarterly basis. Key issues tracked include sustainability and environmental risks and competitiveness.

## IN 2009 WE WILL

Objective	Activity	Target
Extend baseline of Carbon Footprint Assessment	Commence extended scope assessment (Baseline 1B)	August 2008
Reduce electricity % of carbon footprint	<ul style="list-style-type: none"> <li>Actively work to reduce our electricity consumption. For example, institute variable speed drives and replace air conditioning fan motors to be implemented in October 2008, with an expected 25% saving.</li> <li>Continue the replacement programme for bulbs and ballasts.</li> <li>Further savings are expected following implementation of motion sensors</li> </ul>	<ul style="list-style-type: none"> <li>June 2009 –for implementation of bulk of initiatives</li> <li>A payback period of 2.5 years is forecast</li> </ul>
Ensure adherence to environmental guidelines	Ensure completion of an Environmental Impact Assessment, prior to providing finance	Ongoing
Increase hygiene, with a possible reduction in water consumption	Install automated hand-wash basin mixers	June 2009
Determine implementation issues for RMB following FirstRand's draft Climate Change Strategy	<ul style="list-style-type: none"> <li>FirstRand Group Climate Change Strategy that will include GHG emission reduction targets expected to be drafted by October 2008</li> <li>Determine implementation requirements for RMB as an operating division of FirstRand</li> </ul>	June 2009

## OUR COMMUNITY





Our business philosophy of **“TRADITIONAL VALUES. INNOVATIVE IDEAS.”** AND OUR ADVERTISING PLATFORM, **“Thinking that can change the world”**, PLAY A MAJOR ROLE WHEN CHOOSING THE PROJECTS WE SUPPORT. **WE ENSURE THERE IS SYNERGY BETWEEN OUR PHILOSOPHY, VALUES AND OBJECTIVES AND THOSE OF THE PROJECTS WE CHOOSE TO FUND**

### COMMUNITY PROFILE

The FirstRand Foundation and the FirstRand Volunteers Programme are the two main vehicles for the Group’s corporate social investment. Under the FirstRand Foundation, four funds exist, one for each FirstRand operating division e.g. the RMB Fund. Each fund has its own focus and policy, running parallel and operating in complementary ways.

**The FirstRand Foundation has contributed R550 million to community projects since 1998**

The FirstRand Volunteers Programme matches employee efforts with a monetary contribution.

 <p><b>FNB</b> <small>First National Bank</small></p> <p>Bursary Hospice Early Childhood Development Community Care</p>	 <p><b>WesBank</b> <small>A Division of FirstRand Bank Ltd.</small></p> <p>Agricultural livelihoods Substance Abuse Community Care Sustainable thinking</p>	 <p><b>momentum</b></p> <p>Disability Community OVC HIV/Aids</p>	 <p><b>RAND MERCHANT BANK</b> <small>A Division of FirstRand Bank Limited</small></p> <p>Education – Maths focus Arts, Culture, and Heritage Environment</p>
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### OUR COMMUNITY OBJECTIVES

In 2007, we committed to the following community-related objectives. We have reported on our progress in the next section.

Objective	Status	See ‘Our Progress’ Item
Implement programmatic approach to funding	Complete	“Programmatic approach”
Design Monitoring, Evaluation and Reporting (MER) system	Ongoing	“Programmatic approach”



## OUR PROGRESS

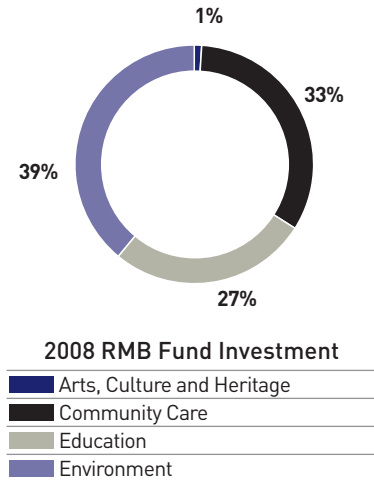
### Programmatic approach to CSI sustainability

Following a strategic review in 2006, we decided to streamline the RMB Fund's Corporate Social Investment (CSI), resulting in the following:

- Introduction of a programmatic approach of longer-term community partnerships, with an increased focus on flagship projects with established non-profit organisations
- Move away from smaller, once-off grants
- Programmes in specific fields of development benefit from the Fund's support
- By extending financial support to three-year grants, we improved our beneficiaries' strategic and financial planning ability

To ensure we did not place any organisation at risk as a result of our funding approach transition, we adopted an exit grant policy when withdrawing from a project.

The diagram below shows our R21 million funding allocation over 2008 was applied by sector.



We believe that for NGOs to remain sustainable, they need to think more like a business. To assist NGOs that we support with business and marketing expertise, we held our first Reflections NGO Leadership Programme in April 2008, where business leaders and specialists shared their knowledge and ideas with NGO management. The event was met with positive feedback.

We also realise the importance of measuring the impact of our CSI activities and are therefore in the process of designing and implementing a Design Monitoring, Evaluation and Reporting (MER) system.

## SUPPORTING MATHS EDUCATION, THE ENVIRONMENT, AND ARTS, CULTURE AND HERITAGE

### Maths education

The RMB Fund focuses on improving maths and maths literacy in South African schools. The programme builds on the learnings from extensive engagement and research into the most effective ways of increasing the number of school leavers with high-level mathematics qualifications. This is undertaken by improving the education of maths teachers.

### The environment

We have a history of supporting environmental programmes that demonstrate strong local community development and buy-in. We believe that is better to strengthen relationships with these projects and move away from a general membership-type donation, thus making a more significant contribution towards a particular programme in need of funding. **We continued sponsorship of the WWF/ Wildlands Conservation Trust, and Indigenous Trees for Life.**

### Arts, culture and heritage

Our Expressions programme focuses on training and development in music, dance and heritage. The majority of our funds are dispersed to organisations with a good track record. Programme design does, however, allow for the development of emerging organisations to enable them to fully participate in the programme over time.

## VOLUNTEERS PROGRAMME GOVERNANCE AND AWARENESS

During the year, we commenced monthly training sessions for all volunteer co-ordinators (new and existing), explaining the programme's rules, policies and procedures. Succession planning has also been introduced.

We grant our people time off during working hours to participate in community projects. Many of our people have been involved in painting, planting, building and feeding projects for the communities we support. **R1 100 825 was raised and matched for RMB staff volunteering efforts.** The Volunteers Programme has also raised awareness within the organisation of the volunteer work done. Instead of distributing gifts to corporate clients at the end of 2001, we donated R100 000 to charitable projects.

## CASE STUDY

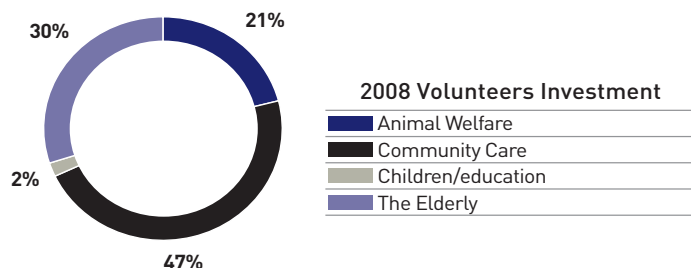
### Africa Food For Thought (AFFT)

Africa Food For Thought (AFFT) is a community-based charity organisation which RMB started supporting in April 2006. At that stage, AFFT supported 6 schools, 2 crèches and 1 community project, with about 2 650 young people receiving nutritious meals. RMB Volunteers extended AFFT’s services and sustainable position by providing direct food donations, cooking equipment and utensils for schools, a bread oven to help introduce a “self-

sustaining” project into the informal settlement of Tshepison West, and 2 vegetable gardens and a worm-tunnel to Thuthusekani Primary School. This is both a source for the feeding project, and an educational tool for the learners and their parents. Today AFFT runs 10 school feeding projects, one community project and 5 crèches, feeding approximately 8 350 children.

### SUSTAINABLE VOLUNTEER ENGAGEMENTS

The mission of the programme is “to help people to help themselves”. We therefore encourage our volunteers to work with organisations for a period of 1 to 2 years to maximise their impact and help ensure project sustainability. This is emphasised with volunteers at the FirstRand Volunteers Quarterly Committee meetings and is a requirement for entries into the FirstRand Volunteers Recognition Awards Programme.



### Celebration of giving

“I attend so many year-end award ceremonies and functions and this “celebration of giving” is by far the most memorable and moving in a long time” – Paul Harris, FirstRand Group

Chief Executive Officer, Inaugural FirstRand Chairman’s Volunteer Awards Evening to recognise outstanding volunteers

### IN 2009 WE WILL

Objective	Activity	Target
Assess application of RMB funding	Implement Design Monitoring, Evaluation and Reporting (MER) system	June 2009
Assess Volunteers Programme impact on community	Host “Community Conversations” Workshop with non-profit organisations (NPOs) supported by volunteers over the past 3 years. The objective is to solicit NPO commentary regarding their experience of the Volunteers Programme	August 2008
Encourage more staff members to volunteer	To encourage more volunteers to activate the FirstRand “matching” financial grant	June 2009

## REGULATORY SUMMARY

As a result of the long-term nature of the regulatory formulation and implementation process, we have provided a summary of the most significant regulatory movements affecting our stakeholders over the last year. A number of regulatory developments have already been addressed in the past financial year.

### BASEL II AND PROMULGATION OF NEW REGULATORY RETURNS

We instituted interim and strategic solutions aimed at enhancing regulatory reporting:

- The objective of the interim project was to achieve the timelines required by the SARB for reporting on new BA returns (incorporating BASEL II reporting). This was implemented successfully in line with the timelines and RMB experienced a smooth transition to the BASEL II regulatory reporting environment
- The objective of the strategic solution is to upgrade our core reporting infrastructure into a world class platform that will provide for both financial and regulatory reporting over the long term. There has been steady progress in this regard

## SUSTAINABILITY IN NUMBERS

We have set out a quantitative view of our sustainability performance below. We have continued to grow our measurement and reporting processes, and data for previous years may therefore not always be available. Please refer to the Group Annual Financial Statements for our economic performance and Group Transformation Scorecard.

Indicator	Note	Unit	2008	2007	2006
<b>Customer</b>		Number			
No. of Customers			13 264	Not available	Not available
<b>People</b>					
Total Staff by Gender	1		1 553	1 279	956
<i>Total Male</i>			842	687	430
<i>Total Female</i>			711	592	526
Total Staff by Race	1; 2; 3		1 516	1 250	956
<i>Total ACI</i>			613	520	Not available
<i>Total W</i>			903	730	Not available
Total staff by occupation level	1		1 553	1 279	956
<i>Top management</i>	1;3		151	39	Not available
<i>Senior management</i>	1;3		239	93	Not available
<i>Professionally qualified and experienced specialists and mid-management</i>	1;3		618	247	Not available
<i>Skilled technical and academically qualified worker, junior management, supervisors, foremen and superintendants</i>	1;3		255	504	Not available
<i>Semi-skilled and discretionary decision making</i>	1;3		151	211	Not available
<i>Unskilled and defined decision making</i>	1;3		49	42	Not available
<i>Non-permanent</i>	1;3		90	143	Not available
Staff Development Investment	5	R '000	14 029	11 847	13 000
Staff Development (of Payroll)	7	%	0.14	2.3	1.9
Learnerships (of Total Staff)		%	–	Not available	Not available
Disabled Staff		Number	0.7	0.9	1.3
Working Environment: Fatalities		Number	–	–	–
Working Environment: Injuries		Number	1	1	3
Working Environment: Days Lost to Injury		Number	10	–	150
Average staff age		Number	35	Not available	35

Indicator	Note	Unit	2008	2007	2006
<b>Environment</b>					
GHG emissions		Tonnes/m <sup>2</sup>	17 149	Not available	Not available
<i>Scope 1 emissions Business travel</i>	7; 7A		67		
<i>Scope 1 Emissions Fuel</i>			-		
<i>Scope 2 &amp; 3 Electricity (Non-Renewable)</i>			16 938		
<i>Scope 3 Paper</i>			144		
Water Consumption (Municipal)		KL	46 973	48 904	Not available
Water Consumption (Municipal)		R'000	489	486	Not available
New Paper purchased		KG	50 594		
Recycling					
<i>Waste</i>		Tonnes	17.9	Not available	Not available
<i>Paper purchased (% of total)</i>					
<i>Furniture, carpets, fixtures</i>					
<i>Other materials</i>					
<b>Community</b>					
RMB Community Investment	5	R'000	21 057	14 457	12 730
<i>Arts, culture and heritage</i>			8 270	3 369	3 158
<i>Community Care</i>			242	188	491
<i>Education</i>			6 921	7 561	6 024
<i>Environment</i>			5 624	2 891	2 050
<i>Safe communities &amp; social re-integration</i>			-	448	1 007
Volunteers: Cash raised and matched		R'000	1 101	Not available	Not available
Volunteer community investment		R'000	1 100	Not available	Not available
<i>Animal Welfare</i>			329		
<i>Community Care</i>			232		
<i>Children/education</i>			519		
<i>The Elderly</i>			20		
<b>Supplier</b>					
Main Procurement Categories	5	R'000	186 558	97 000	135 000
<i>Professional fees</i>			92 845	49 000	55 000
<i>Building Alterations</i>			32 631	9 000	21 000
<i>IT Costs</i>			23 978	1 000	13 000
<i>Travel related costs</i>			22 269	20 000	26 000
<i>Temp &amp; Professional staff</i>			14 835	18 000	20 000
Active Suppliers	5	Number	2 582	1 200	600

**Note:**

1. Per Department of Labour Annual Report. For detailed workforce profile breakdown refer to the Group annual Financial Report
2. 2007 and 2008 figures for staff by race category excludes foreign nationals
3. Due to a change in DOL reporting 2006 figures cannot be provided here. For 2006 staff profile figures see 2006 RMB Sustainability Report
4. In 2006 we reported our performance separately for RMB, RMB Properties & RMB Private Bank. We now report our 2006 performance for RMB only, as RMB Properties is no longer an RMB entity, and Private Bank is incorporated in FNB.
5. 2006 and 2007 figures rounded to the nearest 100 or 1000
6. As the payroll is substantially higher, skills investment as a % of payroll is low, however as indicated actual skills investment spend has again increased
7. We are extending the baseline of our first CO<sub>2</sub> footprint calculation (process to commence in FY 09). As a result, we expect that the results may show a slight increase next year
- 7A. This is for the period 01/01/07 – 31/01/07 (calendar year including first 6 months of FY 08)
8. This may constitute the other waste category items as well

# ENGAGING OUR STAKEHOLDERS

## WHO OUR STAKEHOLDERS ARE

The key stakeholders with whom we engage include our customers, staff, suppliers, the communities we support and invest in, the natural environment, our regulators and related authorities, and FirstRand Ltd's investors and shareholders. While the variety and scale of our stakeholder group lead to challenges in managing stakeholders in a standard manner across the Group, it also provides opportunities for innovation.

The table below indicates how we engage with our stakeholders.

Stakeholder	Face-To-Face	Transaction channels	Internal communication media and forums	External communication media and forums	Electronic communication (email, telephony internet, networks)	Surveys, forums, roadshows, conferences, AGMs, summits, other forms of dialogue	Briefing and releases (eg media, SENS)
Staff	•		•	•	•	•	•
Suppliers	•			•	•	•	•
Customers	•	•		•	•	•	•
Brokers, agents, dealers	•	•		•	•	•	•
Community (including NGOs, CBOs, civil society)	•	•		•	•	•	•
Environment (including NGOs and civil society)	•			•	•	•	•
Regulatory authorities (including Ombudsmen)	•	•		•	•	•	•
Government	•	•		•	•	•	•
Industry associations	•	•		•	•	•	•
Shareholders investors and analysis	•	•		•	•	•	•

## SOME OF THE QUESTIONS OUR STAKEHOLDERS FREQUENTLY ASK, AND OUR RESPONSE

### Our clients asked: What is RMB doing to better understand the needs of clients? How client-focused is RMB?

Over the past few years, RMB has invested significantly in initiatives aimed at building closer relationships with its clients and better understanding their needs. These include:

- The development of a senior client relationship management team, which focuses exclusively on RMB strategic clients, understanding their business and investment banking needs
- The integration of the major client-focused businesses under one business unit viz. the Investment Banking Unit. This ensures the development and implementation of solutions for clients spanning various areas and addressing the client's needs on a holistic basis

### Our staff asked: Will there be any restructuring in the light of underperforming businesses and will this result in job losses?

A number of initiatives aimed at restructuring underperforming businesses were undertaken during the year. Two divisions within the Proprietary Trading business were closed and employees who were affected were reabsorbed into other divisions within the bank.

### Our suppliers asked: How has RMB shifted its expenditure towards BEE suppliers over the period?

Through our efforts to transform our supplier base, we increased the percentage of black suppliers by 31%. Black suppliers now access 54% of our total procurement spend.

### Shareholders asked: How well is RMB positioned for the changing market conditions in South African and offshore markets?

We are proud of our ability to react quickly to a changing business environment. This is a function of our intellectual capital (through developing our people and culture) and our business platform (the key elements being strong client relationships, reputation, risk management disciplines and operating systems). We remain well positioned with regard to these areas and thus should be able to continue to effectively position ourselves for changing market dynamics.

### Communities asked: What has RMB spent on social initiatives over the period and where has this been spent?

We contributed R21 million to community projects over FY '08. The focus areas for the RMB Fund are arts, culture and heritage, education (maths and maths literacy), and the environment.

# SUSTAINABLE BUSINESS PRACTICE GOVERNANCE

The FirstRand federated business model enables each of its operating divisions to develop their own strategies. This is based on the belief that each division is informed by common values and beliefs which are articulated in the FirstRand business philosophy. This philosophy remains the compass for expected practices across the Group. The governance structure is shown on the next page.

## RISK MANAGEMENT

Our compliance with the current regulatory regime, as well as the principles contained within best practice industry standards such as the Basel 2 Capital Accord and the King report on corporate governance, indicate to our shareholders, customers and staff that we are committed to running a business in line with international best practice. As there is a huge amount of disclosure on risk management and corporate governance to the banks' regulator, stakeholders can gain peace of mind that an independent party is overseeing the application of best risk management and corporate governance practice.

We updated our Risk Universe to reflect macro financial, environmental and social risks and opportunities where necessary. The Group's Strategic and Business Risk reporting dashboard is updated monthly, and presented to executive management and the FirstRand Banking Group Audit, Risk and Compliance Committee.

The FirstRand Audit, Risk and Compliance Committee reviews the findings and reports of the subsidiary company Audit, Risk and Compliance committees and addresses matters of both a Group and a head office nature. Issues relating to sustainable business practices and the Group's status as a good corporate citizen are monitored by this committee. The integrity of the Sustainability Report is reviewed by the Group's internal auditors.

## REGULATORY ENVIRONMENT

Strict legal, compliance and risk management measures are implemented and adhered to, to promote sound corporate governance within our business and to ensure adherence to legislation and sound business practices. We actively engage the regulators in discussions and workshops to determine their views on certain issues and interpretations in terms of legislation.

In light of recent developments in the financial services industry, trust and integrity are becoming increasingly important to our clients. As a company, we take our fiduciary duties seriously, not only for regulatory purposes, but also to build meaningful and sustainable relationships with our clients.

In line with our strategy of continually improving risk management and governance practices we submitted an application to the SARB for approval to measure operational risk regulatory capital requirement under the BASEL II Advanced Measurement Approach (AMA). If successful, this would mean that the SARB has independently validated that the bank measures, manages and reports operational risk in line with international best practice.

## ENVIRONMENTAL GOVERNANCE

The Group Environmental Forum was mandated by the Board in early 2007 to set strategic objectives and direction on environmental issues. The Environmental Forum, of which RMB is a member, addresses issues of relevance to FirstRand as a financial services institution. This Forum reports to the FirstRand board through the Audit, Risk and Compliance Committee.

The Environmental Forum is chaired by the Group Environmental, Health and Safety Manager. It has accountability for delivering on planned targets and objectives that have been identified from business expectations, market demands and the Group's overall commitment.

Sizwe Nxasana, in his capacity as CEO of FirstRand Bank and a member of the FirstRand Board, is responsible for environmental issues, and the approval of international and national submissions and the Climate Change Strategy that will be drafted by October 2008.

## SOCIAL GOVERNANCE

### Transformation

RMB's BEE transformation progress is monitored monthly by executive management. Detailed monthly reports are submitted to the FirstRand Transformation Unit. BEE transformation appears on the agenda of each Manbo and Exco meeting as well as at FirstRand board level. Group performance, progress, activities and challenges are reviewed quarterly by the FirstRand Financial Sector Charter and Transformation Monitoring Committee, whose composition is indicated in our Annual Report.

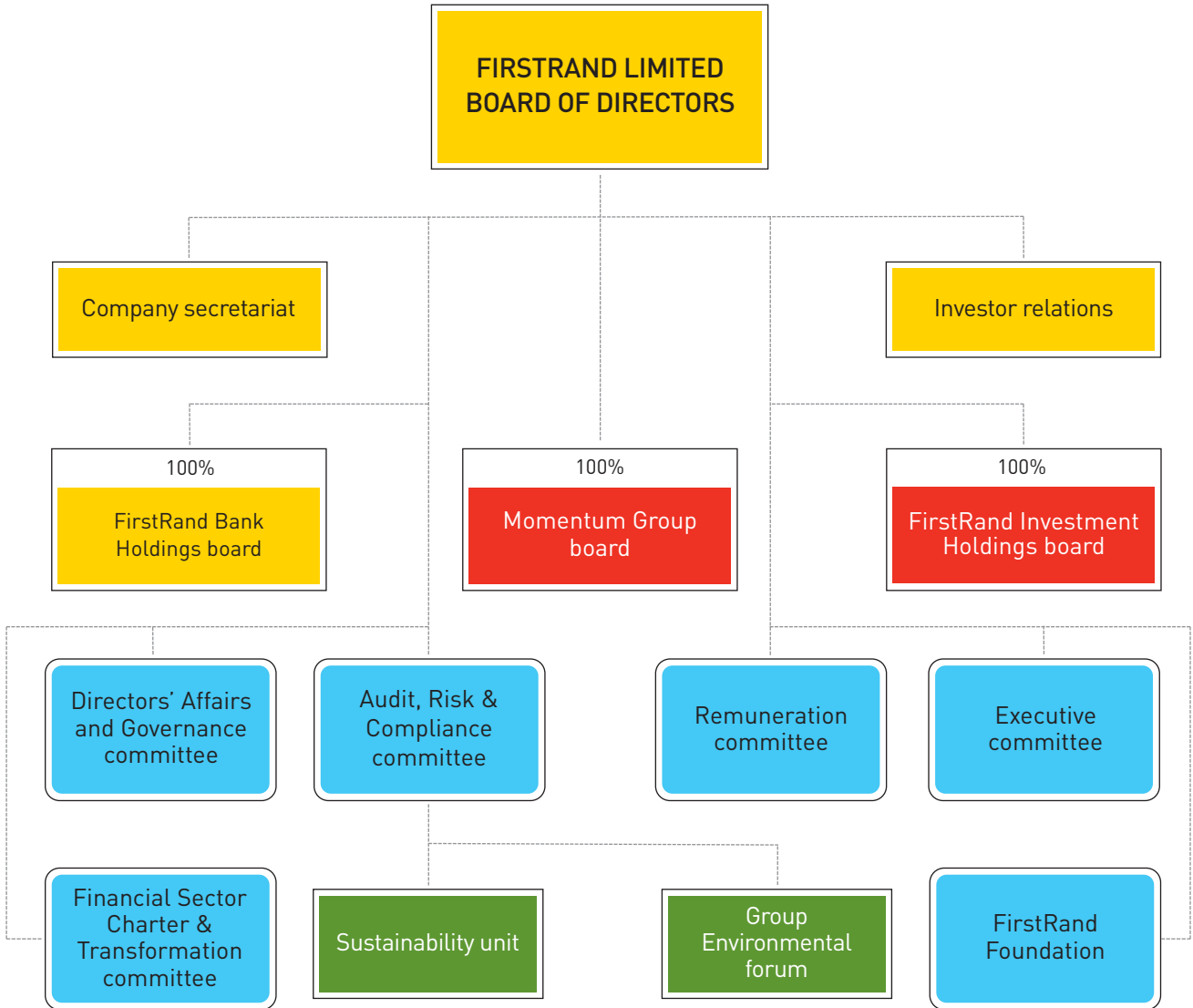
### Corporate Social Investment

Group companies contribute 1% of after-tax profits to the FirstRand Foundation, the vehicle used by the Group to oversee its Corporate Social Investment activities. The work of the Foundation is subject to the oversight of a board of trustees comprising a cross-section of members of executive management and independent trustees representing broader society. All trustees are subject to the same FirstRand Code of Ethics as that which applies to directors.

The day-to-day running of the Foundation is outsourced to Tshikululu Social Investments, a not-for-profit corporate social consultancy. Together with the trustees, they oversee compliance with relevant legislation, the implementation and monitoring of risk management protocols related to the approval and payment of grants and the measuring of the impact of the Foundation's work.

The RMB Fund is governed by the high-level policy, approach and authorisation limits set by the FirstRand Foundation. The Fund focuses on areas aligned to business operations and culture.

GROUP GOVERNANCE OF SUSTAINABILITY



The boards of subsidiary companies are subject to the same corporate governance criteria as the holding company. FirstRand board committees include representatives from the subsidiary board committees and where appropriate divisional executive management.

## INTERNAL COMMUNICATION

We prepare a “comms@work” internal communication to inform staff about our sustainability practices, and the sustainability report is available on our intranet.

# SUSTAINABILITY GUIDELINES AND STANDARDS INDEX

In preparing this report and presenting data, we were guided by, among other things, the standards, to which we subscribe. These are:

- King II Report on Corporate Governance for South Africa
- JSE SRI
- UN Global Reporting Initiative (GRI G3)
- UN Global Compact
- Financial Sector Charter

We have continued to expand the range of sustainability indicators measured and considered in our business and, over time, will continue to work on improving the quantity and depth of meaningful data presented in these reports.

**Note:** The JSE SRI, King II and UN Global Compact are affiliations at FirstRand Limited Group level, of which RMB is an operating division. Please refer to pages 70 to 73 in the Group Annual Financial Statement for the detailed schedule.

## ABOUT THIS YEAR'S REPORT

### FOCUS AND MATERIALITY

There are a large number of challenges in any business' operating context. To ensure a focused report to our stakeholders, we have been guided by the reporting principles of materiality, relevance and the context for sustainability in our business. This year, the following central issues that characterised our activities are set out in the report:

- Turmoil in the global markets and their impact on South African business
- The skills shortage to fill positions across the bank, especially employment equity accountants
- The imperative to address our environmental impact

### CHANGES TO THIS YEAR'S REPORT

- We focused on only the most material issues per stakeholder, thereby reducing the volume of commentary
- We presented a more data-driven, comparative year view of our sustainability data at the end of this report

- We elected not to maintain a separate section on regulatory issues this year, and have instead incorporated regulatory changes and their impact into the pertinent stakeholder sections of the report
- We aimed to present a more concise, user-friendly report, bearing the online reader in mind
- To avoid duplication, we retained our risk and governance report in the Group Annual Financial Report

### SCOPE OF REPORT

This report provides information on our South African operation. RMB is a diverse financial services operation and our services span banking and non-banking activities. RMB Asset Management and RMB Private Bank carry the RMB brand but report into Momentum and FNB respectively and will be covered in those sustainability reports.

## ASSURANCE STATEMENT

### INTERNAL AUDIT STATEMENT

Group Internal Audit Services performed a limited review of the statements and quantitative data contained in RMB's sustainability report. Based on our work performed, in our opinion the sustainability report:

- Is a fair statement of RMB's corporate responsibility initiatives, and
- The quantitative data in the sustainability report is free from material misstatement



# GLOSSARY

Term	Description
ACI	African, Coloured and Indian
BBBEE	Broad Based Black Economic Empowerment
CDM	Clean Development Mechanism
CO <sub>2</sub>	Carbon Dioxide
CSI	Corporate Social Investment
EE	Employment Equity
FSC	Financial Sector Charter
GHG	Greenhouse Gases. This refers primarily to the 6 major Greenhouse Gases identified by the United Nations Intergovernmental Panel on Climate Change, which includes Carbon Dioxide, Methane, Nitrous Oxide, Perfluorocarbons, Hydrofluorocarbons, and Sulfur Hexafluoride
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
NPO	Non-Profit Organisation
MER	Monitoring, Evaluation and Reporting, a system used to measure and track the performance of the RMB Fund contribution, and its benefits to communities
SARB	South African Reserve Bank

# OUR DETAILS

## COMPANY INFORMATION

### Directors

GT Ferreira (Chairman), PK Harris (CEO), VW Bartlett, DJA Craig (British), LL Dippenaar, DM Falck, PM Goss, Dr NN Gwagwa, G Moloji, AP Nkuna, SE Nxasana, T Nzimande, KB Schoeman, KC Shubane, RK Store, BJ van der Ross, Dr F van Zyl Slabbert, RA Williams.

### Secretary and registered office

A H Arnott, BCom, CA(SA)  
 4th Floor, 4 Merchant Place  
 1 Fredman Drive, Sandton, 2196

### Postal Address

P O Box 786273, Sandton, 2146  
 Telephone: +27 11 282 1808  
 Telefax: +27 11 282 8088  
 Web address: www.firstrand.co.za

### Sponsor

(In terms of JSE requirements)  
 Rand Merchant Bank (a division of FirstRand Bank)  
 Corporate Finance  
 1 Merchant Place  
 Cnr Fredman Drive and Rivonia Road  
 Sandton, 2196  
 Telephone: +27 11 282 1075  
 Telefax: +27 11 282 8215

### Transfer secretaries – South Africa

Computershare Investor Services 2004 (Pty) Limited  
 70 Marshall Street, Johannesburg, 2001

### Postal Address

PO Box 61051, Marshalltown, 2107  
 Telephone: +27 11 370 5000  
 Telefac: +27 11 688 5221

### Transfer Secretaries – Namibia

Transfer Secretaries (Pty) Limited  
 Shop No 12, Kaiserkrone Centre  
 Post Street Mal, Windhoek

### Postal Address

PO Box 2401, Windhoek, Namibia  
 Telephone: +264 61227647  
 Telefax: +264 612 48531

## STOCK EXCHANGES

### JSE Limited (“JSE”)

Ordinary shares	Share code	ISIN code
– FirstRand Limited	FSR	ZAE 000066304

### Non cumulative non redeemable preference shares

– “B”	FSRP	ZAE 000060141
– “B1”	FSPP	ZAE 000070900

### Namibian Securities Exchange (“NSE”)

Ordinary shares	Share code	ISIN code
FirstRand Limited	FSR	ZAE 000066304
FNB Namibia Holdings Limited	FNB	NA 0003475176

### Botswana Securities Exchange of South Africa (“JSE”)

Ordinary shares	Share code	ISIN code
FNB Botswana Holdings Limited	FNBB	BW 000000066

### Bond Exchange of South Africa (“BESA”)

#### Subordinated debt

Issuer	Code	ISIN Code
FirstRand Bank Limited	FRB01	ZAG 000021585
FirstRand Bank Limited	FRB02	ZAG 000021593
FirstRand Bank Limited	FRB03	ZAG 000026774
FirstRand Bank Limited	FRB05	ZAG 000031337
FirstRand Bank Limited	FRB06	ZAG 000045758
FirstRand Bank Limited	FRB07	ZAG 000047598
FirstRand Bank Limited	FRB08	ZAG 000047796
FirstRand Bank Limited	FRB08	ZAG 000047804
Momentum Group Limited	MGL01	ZAG 000029935

#### Upper Tier 2

FirstRand Bank Limited	FRBC21	ZAG 000052283
FirstRand Bank Limited	FRBC22	ZAG 000052390

**FOR QUERIES OR COMMENTS REGARDING FIRSTRAND’S SUSTAINABILITY EFFORTS, PLEASE EMAIL [FIRSTRAND.SUSTAIN@FNB.CO.ZA](mailto:FIRSTRAND.SUSTAIN@FNB.CO.ZA)**

**FOR QUERIES OR COMMENTS REGARDING FIRSTRAND’S TRANSFORMATION EFFORTS, PLEASE EMAIL [TRANSFORMATION@FIRSTRAND.CO.ZA](mailto:TRANSFORMATION@FIRSTRAND.CO.ZA)**