

About this report

We are pleased to present to stakeholders our combined Sustainability and Black Economic Empowerment (BEE) Report for 2005.

This is our fourth annual Sustainability Report and second as a stand-alone publication. It should be read in conjunction with our 2005 Annual Report for a complete view of the group's performance and future plans.

The sustainability narrative of this report covers non-financial information as at board approval date (8 March 2006) and financial information to 31 December 2005. As no BEE report was published in 2004, the BEE section of this report covers the last two financial reporting periods, the years to 31 December 2004 and 31 December 2005. A BEE Report will be submitted separately to the Financial Sector Charter (charter) Council as per the reporting provisions of the charter.

Unless otherwise specified, this report is presented from a Standard Bank Group perspective. A diagram of the group structure is included on page 8. Sustainability highlights of the group's subsidiaries, Liberty Group Limited (Liberty Life) and STANLIB Limited (Stanlib), are included in this report to present a groupwide picture. Liberty Life's full sustainability report can be accessed on its website www.liberty.co.za.

We have tried to keep this report succinct, in balance with the principles of relevance and materiality. Our approach has been to confine its scope to the progress made and challenges encountered over the last financial year and to avoid restating information. Stakeholders are directed to our previous Sustainability Report (available online at www.standardbank.co.za) or to the list of relevant contacts inside the back cover, for hard copies or additional information.

The report follows a similar format to last year. The overview contains information considered to be of interest to all stakeholders, including a statement from the chairman and group chief executive and a group value added statement. It is followed by a stand-alone corporate governance section, in line with the centrality of governance, risk management and ethics to sustainability in the corporate context.

Following the consolidated BEE and charter section, the stakeholder review is presented according to each stakeholder group, including a section on the environment. We have used this structure so that stakeholders can easily access the information most pertinent to them. A comprehensive glossary of terms is provided to support understanding across a broad spread of stakeholders.

We continue to move towards "in accordance" status with the Global Reporting Initiative (GRI) Sustainability Guidelines as the most effective framework available to account for our non-financial performance.

A GRI content index is published on page 102 and cross-references information in the Sustainability Report and Annual Report.

We acknowledge the importance of independent assurance of the accuracy and integrity of our non-financial reporting. For the first time we have engaged an independent third party to provide this assurance. Their findings are set out on page 101. A comprehensive written report outlining their findings and recommendations has been given to management. This report will be reviewed and recommendations implemented where relevant. The report was also reviewed by group internal audit, which has provided reasonable assurance that the information supplied is in agreement with supporting evidence provided by management. The charter scorecard on page 17 has been audited by external auditors who have verified that the score reported is accurate.

We trust that stakeholders will find this report to be meaningful and helpful. We encourage all stakeholders to provide feedback on our sustainability progress and reporting. Stakeholders can make use of the online feedback form in the electronic version of this report on our website www.standardbank.co.za.