

Sustainability

Murray & Roberts embraces a value system that places sustainable development and value creation at the heart of its business aspiration where sustainability reporting is guided by the King Report and the JSE Socially Responsible Investment (SRI) index.

For more than 100 years, the Group has played a key leadership role in the development of sustainable institutional capacity in all fields associated with its business interests.

Our group chief executive has long been a leader of construction industry transformation. He has led the development of government's Construction Industry Development Board (CIDB) since 1997, first as task team chairperson and then as first chairperson of the CIDB. We have also contributed to the development of the Construction Charter and are engaged in many initiatives to meet the requirements of the Mining Charter.

Murray & Roberts has qualified for the JSE SRI index for the second consecutive year. Fifty-eight companies in the FTSE/JSE All Share Index participated in the 2005 review of which forty-nine, including Murray & Roberts, met the criteria.

The SRI Index is the first of its kind for an emerging market. It measures a company's commitment to and performance against the environmental, social and economic pillars of sustainability practice with corporate governance as the foundation.

Corporate governance

Murray & Roberts has a corporate governance framework that has been in operation for many years. It is constantly reviewed

to ensure compliance with latest corporate governance practice in South Africa and internationally as appropriate. Our corporate governance policies and practices are set out on pages 47 to 49 of this report.

Risk management

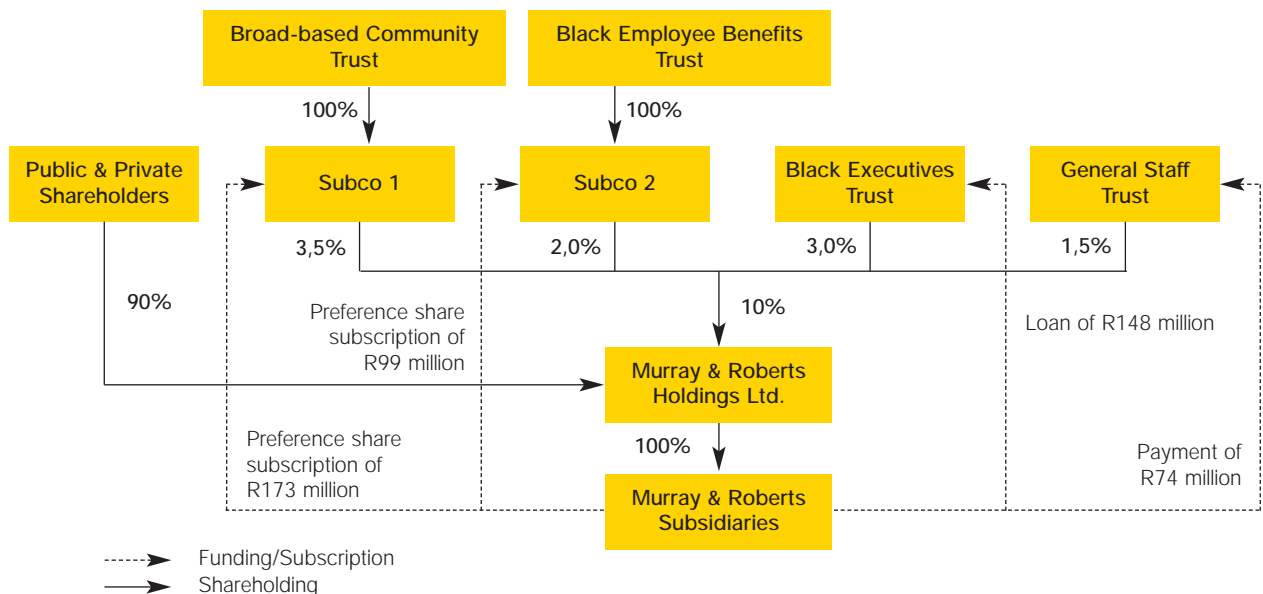
Murray & Roberts has introduced a comprehensive risk framework to manage rather than eliminate the risk inherent in achieving its business objectives. A risk committee is mandated by the audit & risk management committee to manage risk at an executive level and assist the Board to fulfil its corporate governance supervision responsibilities relating to risk management. The full report of the committee is set out on pages 50 and 51 of this report.

Black economic empowerment

Murray & Roberts believes that broad-based empowerment of business in South Africa is essential for long-term economic and social stability.

We have developed a unique advanced model for delivering this belief in terms of the Broad-Based Black Economic Empowerment Act and various industry charters. Our belief and strategy are supported by clear statements of intent by our

The Murray & Roberts broad-based empowerment and employee equity ownership arrangement



Board and executive leadership and BEE issues are monitored regularly at a group level. All operations within the Group focus their BEE activities on human capital, equity ownership, preferential procurement and corporate social involvement.

During the year, the directors approved a proposal to repurchase 10% of the issued share capital of the Group for use in a broad-based empowerment and employee equity ownership arrangement.

At an operations level, Murray & Roberts has developed successful partnerships with high-level BEE entities and individuals who are interested in and bring appropriate gravitas to the construction and mining industries. They have proven capacity to support our underlying operations with working capital and performance guarantees.

In our operations, we have developed a number of partnerships with small and medium-sized emerging businesses. These partners are required to invest "sweat" equity in specific projects or operations and Murray & Roberts builds capacity in them over time. The operations which undertake construction projects in South Africa are often required to include a BEE component in projects, either by joint venture arrangements, subcontracting or procurement of materials.

Human capital development

We finalised our human resource (HR) strategic framework during the year to facilitate the development of our people and ensure that our human capital is positioned as a competitive advantage. The framework focuses on diversity, capacity, performance, reward and risk & relations. Each area is driven by an objective and supported by practical initiatives.

The remuneration & human resources committee assists the Board to fulfil its responsibilities relating to the Group's HR framework and policies.

Murray & Roberts embraces diversity and considers it an opportunity. We comply with prevailing employment equity and skills development legislation. All of our domestic operations compile employment equity plans and reports required by the Department of Labour and employment equity forums, representing employees, contribute to the pursuit of our objectives.

In recent years, we have attracted a growing number of previously disadvantaged executives who see in our Group a long-term career opportunity. Almost 80% of our South African employees are black, while 11% of group employees are female. Of the 15 directors on our Board, four (27%) are black and two (13%) are women, while approximately 52% of all levels designated as management in our domestic operations are black and 10% female.

We spent more than R11 million during the year providing formal training and career development for our people. We offer skills development programmes in adult basic education and leadership and processed 103 people through learnerships in the year, 80% of whom were black. We intend to reopen in-house regional training centres for artisans and specialist labour to address skills shortages in the construction industry. To expand the number of young black employees entering Murray & Roberts, we have initiated a graduate recruitment and development programme. Two thirds of our intake for the pilot 2005 graduate development programme are black and 23% are female.

A talent management programme was initiated during the year to identify individuals defined as "top talent" and manage their motivation, development and retention more effectively.

We are establishing a competitive performance culture with exacting standards, balanced criteria and a focus on delivery across the full spectrum of activities required of a

Consolidated summary of the Murray & Roberts employment equity profile

Occupational levels	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	8	6	11	75	3	1	0	5	109
Senior management	39	18	29	187	6	2	2	14	297
Middle management	74	60	36	360	15	8	4	29	586
Junior management	523	382	117	580	85	36	21	144	1 888
Semi-skilled	2 753	637	149	485	319	82	66	208	4 699
Unskilled	2 039	137	19	67	100	22	3	4	2 391
Total permanent	5 436	1 240	361	1 754	528	151	96	404	9 970

sustainable business, including health, safety, environmental management and community development.

In a competitive business environment, we understand that the incentives of recognition and reward are crucial to retaining and motivating existing talent and gaining the status of a preferred employer. We operate within a remuneration framework that sets the parameters for executive and general staff remuneration relative to performance targets.

Additional information on our human resource policies and practices is available in the remuneration & human resources committee report on page 54.

Health, safety & environment

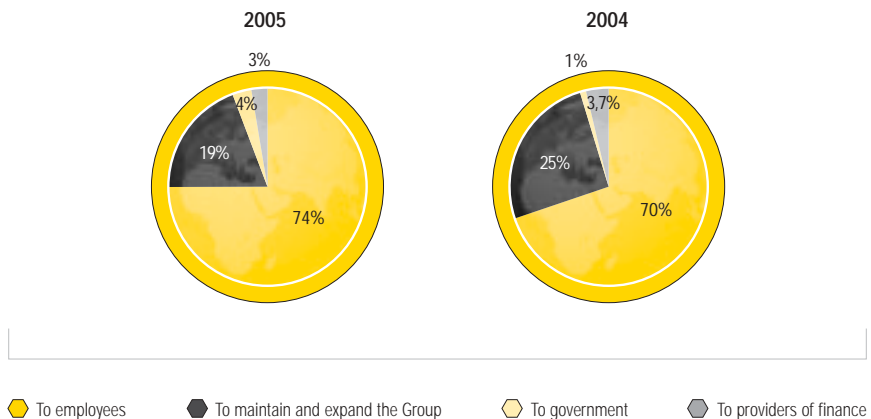
We are committed to the integration of sound health, safety and environmental (HSE) management into all aspects of our business activities.

The HSE committee was established in 2003 to assist the Board with its corporate governance supervision responsibilities relating to HSE management. The committee's full report is set out on pages 55 to 57.

Sustainable HSE performance demands high-level leadership focused more on culture and emotion than on procedure and reporting. The diverse nature of Murray & Roberts makes this a high risk endeavour. During the year ahead, we will introduce a comprehensive reevaluation of HSE culture and performance throughout the Group to enable compliance with the performance aspirations listed in the above report.

Value created

During the year Murray & Roberts created value of R3,7 billion (2004: R2,6 billion) which was distributed as follows:



Corporate social involvement

Our business activities have a profound impact on the communities in which we operate and we are committed to managing this impact responsibly.

Murray & Roberts focuses its CSI activity on development projects aligned with its business strategy, supporting mathematics, science and technology education, numerical education in early childhood development and environmental education.

We spent almost R10 million on scheduled CSI projects during the year. Our key investments were the Murray & Roberts Building Africa Exhibition at the new Sci-Bono Discovery Centre in Newtown, extension of the Technology Olympiad to remote rural schools in KwaZulu-Natal and Limpopo provinces, the Murray & Roberts Chair of Environmental Education at Rhodes University and establishment of the Chair of Manufacturing at the University of the Witwatersrand.

We make a number of awards each year to recognise and reward initiatives that contribute to the enhancement of our society. These include the Jack Cheetham Memorial Award for development in sport, the Des Baker Award for students of architecture and the JD Roberts Award for environmentally sustainable solutions to human dilemmas.

We support the United Nations Decade on Education for Sustainable Development declaration, which signals a global commitment to the important role of education in sustainable development.