

The FORGE Group

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on behalf of the FORGE Group

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Contents of FORGE I

**WHY ENVIRONMENTAL MANAGEMENT AND REPORTING IS
IMPORTANT FOR THE SECTOR**

**TOOL-KIT FOR DEVELOPING AN ENVIRONMENTAL MANAGEMENT
AND REPORTING SYSTEM**

BUSINESS ACTIVITY GUIDELINES

**TECHNICAL REFERENCE SHEETS, FURTHER INFORMATION
SOURCES, GLOSSARY**

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Uptake of FORGE I

- All FORGE I members are fully implementing the guidelines through their global operations
- HSBC, Legal & General and Zurich Financial Services started with implementation
- Nationwide, Standard Chartered, Northern Rock and AMP (Australia) intend to adopt FORGE I
- Informing global practice in environmental management and reporting

FORGE II project partners and consultees



BRITISH BANKERS' ASSOCIATION



Amnesty International



CSR guidance objectives



- Improve understanding
- Increase engagement
- Provide a foundation for progress
- Build on existing initiatives
- Provide a practical tool-kit

Why does the FS sector need its own CSR guidance?



- **Existing guidance:**
 - Establishes requirements only
 - Sector generic
- **FORGE II:**
 - For the sector by the sector
 - Practical steps that may be taken to address CSR

Contents of FORGE II

INTRODUCTION

UNDERSTANDING CSR IN FINANCIAL SERVICES COMPANIES

DEFINING AND MANAGING THE BUSINESS CASE FOR CSR

CSR GOVERNANCE

DEVELOPING A CSR MANAGEMENT AND REPORTING FRAMEWORK

CSR IN BUSINESS PRACTICE

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Guidance extract: Commercial & Corporate Lending/Investment

Scope of application: Includes guidance applicable to the provision of financial services, such as money transmission, cash management and lending services to business customers.

Risks:

- Insufficient market demand for, or return on, new CSR related products/services

Benefits:

- Reduces incidence of bad debt due to increased financial literacy among clients and improved risk management policies and procedures

Challenges:

- Determining the limits of financial service sector role and demonstrating and delivering an appropriate scope of control and influence

Action plan:

1. Establish a team with a single management point responsible for considering CSR in the context of commercial investment/lending
2. Involve other business units and functions, as appropriate, as well as the CSR team/individual
3. . . .

Launch of FORGE II



- Draft guidance circulated for wider stakeholder consultation
- Launch: **5 November, 2002**
- Electronic copies: **www.abi.org.uk**
www.bba.org.uk