The FORGE Group

Phil Case, Barclays plc

on behalf of the FORGE Group

August 2002, Johannesburg
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

THE FORGE GROUP
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

DFID Department for International Development
DEFRA Department for Environment, Food & Rural Affairs
dti Department of Trade and Industry
BBA British Bankers' Association
Association of British Insurers
PRICEWATERHOUSECOOPERS
BUSINESS in the COMMUNITY
Amnesty International
Traidcraft
WWF
USS
unifi changing minds changing work
The COOPERATIVE BANK
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
**Scope of application:** Includes guidance applicable to the provision of financial services, such as money transmission, cash management and lending services to business customers.

<table>
<thead>
<tr>
<th>Risks:</th>
<th>Benefits:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Insufficient market demand for, or return on, new CSR related products/services</td>
<td>- Reduces incidence of bad debt due to increased financial literacy among clients and improved risk management policies and procedures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenges:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Determining the limits of financial service sector role and demonstrating and delivering an appropriate scope of control and influence</td>
</tr>
</tbody>
</table>

**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