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Introduction: Corporate Responsibility at HBOS

September 2001 saw the merger of Halifax and Bank of Scotland to create HBOS - a new force in British banking. These two long-established organisations both have a positive track record in corporate responsibility. At the heart of our business strategy going forward is the recognition that strong corporate responsibility performance can be a key point of competitive difference.

But what does corporate responsibility actually mean? For us, the answer is simple - it is all about the central issue of trust.

We can only achieve our financial performance targets and deliver on our promises to build shareholder value if we deserve the trust of the different groups who have a stake in our business - our colleagues, customers and shareholders.

Our strategy is a straightforward one. First and foremost, we believe that offering market-leading products and services to new and existing customers is at the core of our responsibility to the community. Our stakeholders expect nothing less. At the same time, they also expect us to perform strongly in the other key aspects of corporate responsibility - equality and diversity, community involvement, environmental protection and responsible investment.

We have high aspirations for all that we do, but we recognise that we still have much to learn. We are committed to measuring our CR performance against the best in all sectors of UK and international business. The Board has invited Phil Hodgkinson, Chief Executive of our Insurance and Investment Division, to lead our work in this area.

This report describes our performance for 2002. It highlights progress and areas where more needs to be done in 2003. It is a companion document to our summary report, available in hard copy or easily downloadable pdf format. It contains more detailed information, and is regularly updated.

2003 marks the 150th Anniversary of the founding of Halifax, and Bank of Scotland celebrated its tercentenary in 1995, underlining the sustainability of our businesses. In CR, we recognise that we're very much at the start of a journey. We need to work harder at bringing CR to the heart of all our business activities across the Group. We welcome feedback on our progress and plans, so this report highlights where we intend to focus our efforts, as well as illustrating some of our successes.

Corporate Responsibility Index

Business in the Community

March 2003 saw the launch by Business in the Community (BitC) of the Corporate Responsibility Index (CR Index). The index is an annual survey of FTSE listed companies and BITC national members to gauge corporate engagement in the corporate responsibility agenda.

HBOS is both a participant company and a financial sponsor of the CR Index. This index builds on the Business in the Environment Index which is now in its seventh year.

The CR Index is designed to provide a benchmarking tool for companies to compare performance with other participating companies and in its first year, the Index attracted 122 companies. We believe that there is a need for such benchmarking tools to encourage companies to improve their own practices, and this is certainly our intention.

The Index explores:

- ✎ How values are applied within a business
- ✎ Business standards in the marketplace
- ✎ Environmental impact
- ✎ Community involvement
- ✎ Employee diversity, development and participation
- ✎ Engagement with stakeholders
- ✎ External engagement

In 2003, HBOS was ranked in the second quintile of participating companies and as such was within the top 40%.

BitC are also piloting a parallel Corporate Impact Reporting initiative which invites companies to report on their Impact on Society. Phil Hodgkinson, Chief Executive of our Insurance and Investment Division, is chairing the Leadership Team that is overseeing this initiative, and HBOS is one of the 20 companies involved in pilot. The initiative publicly provides comparable measures of performance under the headings of market place, environment, workplace and community. The results can be viewed at www.iosreporting.org.uk

Reporting Policy

Commitment to Reporting

It is only through regular and detailed reporting that our stakeholders will be able to judge how we are performing.

This year, we issued a high level summary report focusing on selected highlights of our performance during 2002. This website is the companion to that publication, and provides more detail, with regular updates.

We decided to structure our reporting in this way following feedback from our colleagues. They wanted a clear and transparent document that focused on outcomes for people and communities, rather than strategies or policies. Our other stakeholders need more information to evaluate our performance against our peers.

We will be evaluating the success of this year's reports and we will provide feed back on the reactions they generate in future editions.

We are committed to reporting to our internal and external stakeholders on at least an annual cycle and to developing our approach in a spirit of continuous improvement.

To date, our reporting has been most developed in the environmental arena, but using the guidelines set out by the Global Reporting Initiative (GRI), we also plan to develop additional specific targets and measures for the social and economic dimensions of our business.

Scope of the report

This report covers our UK operations, and provides information of our activities in the calendar year 2002. As a predominantly UK business, we believe this represents an accurate picture although we intend to include our overseas operations in future reports.

Approach to reporting

In putting together this report, we were mindful of the main reporting standards relevant to our industry. As such, we reviewed the Global Reporting Initiative, AA1000, and the FORGE II Guidelines for the financial services industry. We have much to do if we are to meet the standards set out in these guidelines, but we have found them to be a useful basis around which to improve our corporate responsibility reporting.

HBOS will be reporting regularly, at least annually, with updates appearing on this site during the year. We aim to have a dialogue with our stakeholders, and if you would like to contact us on any issue affecting our corporate responsibility policy or performance, please e-mail:

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HBOS Key Facts

The main activities of HBOS are retail, business and corporate banking, insurance & investment, and treasury services. Each of these operations is a separate Division, supported by Group functions such as human resources and information technology.

Operating income for the group for the financial year 31st December 2002 was £7.5bn and profit before tax and exceptional items was £3.1bn. HBOS has 22 million customers.

HBOS plc is a holding company. It has two main subsidiaries, which are Halifax plc and The Governor and Company of the Bank of Scotland.

HBOS Group's main brands are Halifax, Bank of Scotland, Clerical Medical, Birmingham Midshires, Insight Investment, St. Andrew's and Intelligent Finance. St James's Place Capital, Bank West and esure are businesses in which we have substantial shareholdings.

The products offered by HBOS Group include mortgages, savings and current accounts, corporate and business banking services, share dealing, life assurance and general insurance, asset management and treasury services.

HBOS predominantly does business and has its major locations in the UK. In addition to Bank of Scotland's majority shareholding in BankWest (Bank of Western Australia Limited), HBOS has offices in Europe, Australia, North America and the Far East.

For further details, see our corporate website www.hbosplc.com/about/about.asp

Governance Structure & Management Systems

HBOS has defined its corporate responsibility policy by starting with clear lines of accountability across the Group. Leadership of the CR agenda at Board level rests with Phil Hodkinson (Chief Executive, Insurance & Investment). Some examples of our commitment to CR are as follows:

- ✎ The CR Forum, a Group-wide co-ordinating body consisting of senior managers from each business division, which meets quarterly under the chairmanship of Phil Hodkinson.
- ✎ The Diversity and Equality Leadership Group, which meets regularly under the chairmanship of James Crosby, Group Chief Executive
- ✎ The HBOS Foundation, which focuses the commitment of the company and colleagues to community giving and involvement. Colleague fund raising is matched by an annual budget of £4 million provided by the Group.
- ✎ A nominated Board Director for Environmental matters, responsible for the Group Environmental Policy and reporting, supported by the Group CR team.
- ✎ The Group Audit Committee, which monitors compliance with the Group's Operating Philosophy, Policies and Standards and the Corporate Governance Framework, supported by the Group Risk Committees and Company Secretary.

The HBOS Board monitors our progress in all areas of corporate responsibility, through an annual reporting and review cycle.

Corporate Responsibility Forum

In 2002, Phil Hodkinson, Chief Executive of our Insurance & Investment Division, was invited by the Board to lead the corporate responsibility agenda at HBOS.

The Board also established the Corporate Responsibility Forum, the body which co-ordinates and communicates our approach to CR, chaired by Phil Hodkinson, and supported by the Group CR team.

The Forum comprises senior representatives of the key businesses and functions from across the Group. These include Human Resources, Diversity, and Community Relations and representatives from the Divisions. The Forum meets quarterly, and provides an opportunity to:

- ✎ share best practice and experience
- ✎ recommend policy and strategy
- ✎ plan and monitor our progress
- ✎ communicate our achievements

This report represents part of the work of the CR Forum.

The HBOS Board receives annual reports on our progress in corporate responsibility, diversity, environment, workplace and the work of the HBOS Foundation.

Gap Analysis

One of the first decisions made by the CR Forum was that a thorough analysis of where the company was positioned in corporate responsibility should be undertaken. This gap analysis will help the Forum to identify areas of strength and weakness, and thus priorities for further action.

A pilot gap project commenced in April 2003. PricewaterhouseCoopers will carry out a thorough review of our Insurance and Investment Division of existing policies and practices, and benchmark our CR activity against other companies. We will be reporting on the outcome of our gap analysis in future editions of this report.

Economic Impacts

Marketplace - Introduction

Our strategy in the market place is straightforward: we believe that offering market-leading products to new and existing customers is at the core of our responsibility to the community. We believe that a strong corporate responsibility policy is an unique point of competitive difference, but we also recognise that not everything is perfect. Each section of this report contains an item detailing where we need to do better.

Distribution Channels

If we are to achieve our objective of offering, through friendly, motivated colleagues, simple, value-for-money products to meet the needs of our retail customers, we must provide a range of different distribution channels to suit the different ways that people lead their lives.

We know that face-to-face contact is still essential for many people. Consequently, we have 1100 branches and 350 agencies in communities right across the UK, supported by 3,600 cash machines. We also have a network of 350 estate agencies, and many of our products can also be accessed via independent financial advisers and mortgage brokers.

Our products and services can also be accessed remotely either online or by telephone from home or through links provided in our branches. Over 650 branches have "click and call" units in their banking halls. This is the single biggest commitment to online banking for disadvantaged customers among the high-street banks, and is an example of HBOS's policy of "digital inclusion". Intelligent Finance, Halifax Share Dealing and esure operate entirely online or by telephone.

Financial Services for All

Most of us take for granted the basic financial stability and security that a bank can help to provide. Yet, we know that many people in the UK lack the facilities for saving or financial planning. We recognise that the most significant contribution towards community well-being is the range of products we offer.

A challenge for all financial services providers is to provide people on low incomes with the products and services to meet their needs - affordability and accessibility being two key issues. We also need to market our products in different ways to help access this market. HBOS is actively rising to this challenge.

HBOS Initiatives

Described below are a selection of HBOS initiatives in the market place:

✎ Easycash - Social Banking

Easycash is the core product through which Halifax and Bank of Scotland can reach many under-served parts of the community. Easycash provides basic account facilities, such as depositing money, a cash card and withdrawal of cash and benefits. Customers also have access to Post Office counters, which helps the transition from receiving DSS benefits in cash to managing a bank account. The account does not offer a chequebook or an overdraft facility.

Halifax and Bank of Scotland have 2.5 million social banking accounts, making HBOS Group the largest provider in this market.

✎ Community Banking - Newham and Wester Hailes

Halifax has entered into another key partnership with government and a local community organisation in Newham, East London. The government has selected Newham as the pilot for the Child and Working Tax Credits due to be introduced nationwide in 2003. Anyone qualifying for the tax credit will need a bank account to receive the payments.

Community Links, a community organisation in Newham, East London estimates that 10% of the 6,000 people eligible for the new tax credit in the borough will not have a bank account. As the new tax credits are paid into bank accounts, this is a real barrier.

This Community Links will work with volunteers to run "help clinics" to explain the Tax Credit and introduce families to local Halifax branches in Stratford and East Ham.

✎ Homelessness

For homeless people, without a fixed address, opening a bank account has frequently proved impossible. However, a unique partnership between Bank of Scotland and The Big Issue in Scotland has found a way of reaching this community through the first ever branch dedicated to serving homeless people. Based in the Big Issue offices in Oxford Street, Glasgow, the bank opened for business in March 2001, staffed by Big Issue vendors who are specially trained by the Bank of Scotland. The initiative has proved a huge success, with over 500 accounts opened since the launch.

✎ Social Housing

HBOS Group provides potential homeowners with additional support beyond basic mortgages. The Group is the biggest provider of finance for housing associations, offers mortgages on shared ownership properties and arranges for the transfer of mortgages as part of home swaps to enable regeneration of run-down areas. Halifax was involved in the first example in Salford. The initiative aims to avoid compulsory purchase by agreeing with residents to move to other properties nearby.

Martin Townsend, a senior manager is seconded to the Office of the Deputy Prime Minister, working on urban renewal programmes. Halifax is working with the Centre for Urban and Regional Studies at Birmingham University to research how mortgage lenders can help homeowners in areas of low demand housing. Learning from this project will contribute to policy development. The ODPM is committed to tackling the issue of low demand and has committed to invest £500m in 9 pathfinder areas. Halifax is represented on the board of the Hull pathfinder.

In addition, HBOS has just commenced a seven year investment programme with Groundwork Trust, to help with infrastructure improvements in regeneration areas.

✎ Social Investment Scotland

Bank of Scotland was instrumental in the setting up of a unique Community Development Finance Institution

to support with loan finance not for profit, community based entities throughout Scotland.

Firstly the gap was identified and a Steering Group involving The Scottish Executive, Scottish Enterprise, other CDFI's and community leaders was set up. Ultimately BoS lent £750,000 at 0% and leveraged a further £2,250,000 from the other Scottish based financial institutions. Additionally BoS seconded a senior colleague as Chief Executive of SIS on a two year basis. The entity is now up and running and made a number of loans.

✎ Charity Bank

Bank of Scotland is represented on the Board and has made a loan of £500,000 to Charity Bank, the first registered charity that is also authorised as a bank with the Financial Services Authority.

Customers And Diversity

Our customers are drawn from diverse range of the community, and if we are to serve their needs, it is important that our colleagues are similarly diverse in their skills and backgrounds.

This is a priority for HBOS, championed by Chief Executive James Crosby and addressed through a diversity taskforce in each of our Divisions.

We are committed to helping customers with special needs. For people with disabilities, HBOS has a dedicated disability manager supported by a network of 50 disability champions whose role it is to ensure there is continuous improvement in the services we provide.

HBOS works in partnership with the National Forum of Wheelchair Users Group and the RNIB to make branches more accessible to everyone. A full access audit has been completed covering more than 1100 outlets and induction loops for people with hearing impairments have been installed in over 800 locations.

HBOS also offers

- ✎ alternative formats such as large print and Braille
- ✎ textphones and typetalk
- ✎ a network of sign language interpreters

As part of our diversity strategy, we aim to reflect the communities in which we operate in our recruitment. In relation to racial mix, for example, this helps us offer services in the language of our customers' choice. We have established Race working parties within our retail branch network to support this work.

Responsible Investment

Social, environmental and ethical concerns are increasingly recognised as a source of both risk and opportunity. HBOS's asset management operation, Insight Investment Management Limited, has established procedure to include such concerns as part of the review process with companies in which it invests. See the dedicated website www.insightinvestment.co.uk

Global Business Principles

In November 2002, HBOS's asset management operation, Insight Investment, launched its Global Business Principles project, calling for companies to comply with internationally recognised principles of conduct on human rights, poverty, and health in developing countries. Insight has also adopted a new initiative to increase the transparency of its investments in companies, focusing initially on its UK shareholdings. Insight is part of HBOS's insurance and investment division and manages funds of all asset types for both institutional and retail clients

Customer Relations

HBOS has over 22 million customers, representing two out of every five households in the UK.

HBOS Group is the largest mortgage and savings provider, a leading provider of general household insurance as well as being the biggest issuer of new credit cards.

A major initiative has been to introduce a market leading current account, which offers, to qualifying customers, interest 30 times greater than other banks, together with an overdraft rate roughly half of our main competitors. HBOS Group accounted for 27% of current account switchers in the UK - 1.3 million people. Market leading products are core to our customer proposition.

Sometimes though, we get things wrong and when they do all our businesses have structured procedures for putting things right when customers complain. We see complaints as an opportunity to learn how to improve our service. Customers can raise issues in person at our branches, by telephone, e-mail or in writing. Complaints are formally acknowledged, response time targets are set and we keep customers informed on our progress. Some of our products are in addition subject to formal complaint reporting to the Financial Services Authority.

Customer Research

All our businesses carry out customer surveys to assess awareness, satisfaction with our products and services, methods of delivery and attitudes towards our brands. This provides invaluable benchmarks for improvement going forward.

Advertising and Direct Marketing

We are committed to ensuring that our advertising and marketing is accurate, balanced and informative, and specialist teams within each of our businesses have been established to check that this is so. The Advertising Standards Authority upheld two complaints against HBOS plc during 2002. We acted promptly in both situations, either withdrawing or clarifying the adverts/letters after the adjudication.

As part of our diversity strategy, we prepare leaflets in various languages and prepare posters to celebrate a range of cultural festivities such as Diwali. Diversity is integrated into our advertising strategy. A recent review of point of sale posters, leaflets and recruitment material found that 25% of people featured were non-white.

HBOS offers customers the option not to receive direct mail providing information about our product and services.

Respect for Privacy

Customer confidentiality is a cornerstone of maintaining trust. We have clear and detailed procedures to protect the integrity of our customer data and to give customers the choice as to the level of privacy they wish to enjoy.

Responsibility to customers

We believe that our responsibility to customers is to offer simple, value for money products sold by enthusiastic, well motivated HBOS people.

We also believe that we have to be clear and transparent over the terms of our products and services. We are a subscriber to the Banking Code, a voluntary initiative followed by banks and building societies that sets minimum standards for the relationships with personal customers in the United Kingdom.

The Code covers current accounts, personal loans, savings (including cash ISAs) and credit cards. There is also a Business Banking Code covering small businesses with a turnover of up to £1 million a year. Its commitments cover the range of customer transactions including account opening, marketing, charging, confidentiality and financial difficulty. The commitments are:

- ✍ to act fairly and reasonably in all dealings to ensure that all services and products comply with the Code, even if they have their own terms and conditions;
- ✍ to provide information on services and products in plain language, and to offer help if there is any aspect which is not understood;
- ✍ to help customers to choose a service or product that meets their needs;
- ✍ to have safe, secure and reliable banking and payment systems;
- ✍ to correct errors and handle complaints quickly.

Suppliers

HBOS is a major service sector company and we take our responsibilities to our suppliers seriously. We are committed to reducing our invoice payment times, and we saw an improvement in our payment performance between 1999 to 2001 from 40 days to 30 days, with 15% of invoices being paid after the due date.

Our aim is also to continue to develop better environmental and social standards in our dealings with suppliers. When improvements are made to our procurement process, we aim to share our experiences and knowledge with them.

Green Guide

Our supplier policy sets the objective of working with suppliers to reduce their impact on the environment both through our own purchases but also their wider practices. We promote better practice through our Green Guide for Buyers as well as evaluating supplier performance through a programme of surveys and reviews. The main areas covered by the guide are:

- ✍ Conservation
- ✍ Energy
- ✍ Water
- ✍ Wood & paper
- ✍ Horticulture
- ✍ Ozone depleting substances
- ✍ Vehicle emissions

- ✍ Pesticides
- ✍ Hazardous substances
- ✍ Waste management

Environment Survey Of Key Suppliers

HBOS has identified groups for further study based on impact. These are:

- ✍ Corporate wear
- ✍ Print
- ✍ Branch fittings and furniture
- ✍ Energy
- ✍ Business travel
- ✍ Catering

As an example, we use approximately 13,700 tonnes of paper and are looking to reduce usage of paper sourced from our main supplier by 8%.

At an industry level, we are looking to agree a common survey alongside 15 financial services providers to reduce the burden on suppliers of conflicting information demands.

Where Can We Do Better?

Saving Gateway

Financial institutions have generally not been very good at helping low-income communities to save more. As the country's biggest savings institution, there's a lot of scope for HBOS Group in this area. For example, in Tower Hamlets, the most deprived borough in Britain, we are working with the government on a pilot project designed to incentivise saving by those on low incomes.

The Halifax branch bank in Bethnal Green, along with three other Halifax branches, is piloting the Treasury's Saving Gateway scheme, which matches £ for £ the amount invested by those on low-incomes, up to a limit of £750. Working with Toynbee Hall, a local community organisation, the Bethnal Green branch has helped over 270 customers open such accounts so far. Halifax is the only financial institution involved in this pilot scheme.

Saving Gateway is an important initiative for us. We will look to develop other schemes designed to help low income communities.

Environment

Overall Approach And Environmental Management System

Our Environmental Management System (EMS) is based on the aspects of ISO14001 standard that are relevant to the financial services industry. We recognise that maximising the efficient management of environmental impacts also brings financial benefits.

Our EMS covers policy and strategy, objectives, operating plans, escalation procedures, environmental impact measurement and compliance with legislation.

We have dedicated environment specialists within our Corporate Responsibility team supporting the development and implementation of environmental objectives across our business units.

A key challenge has been bringing together the processes and procedures of the Halifax and Bank of Scotland. This work continues.

Our environmental performance is measured and reported to the Group Management Board and our Group Operational and Regulatory Risk and Group Credit Risk Committees assess a range of environmental risk issues including those arising from loans and credit facilities provided to clients and customers.

Environmental risk is considered on a case by case basis. Managers seeking guidance from within the Corporate and Business Banking Policy and Procedures Manuals are referred to the Bank of Scotland Lenders' Guide to Environmental Risk Management, an electronic guidebook located on the company's intranet. This provides sector specific environmental risk and risk mitigation guidance. Where necessary, lenders seek a specific environmental risk report prepared by a suitably qualified firm.

We work with a number of partner organisations to share learning, keep up to date with the latest developments and to improve our practice. These organisations include Forum for the Future, the Carbon Trust, Global Action Plan and the British Bankers Association.

Group Environmental Policy

This Group Environmental Policy Statement:

- ✎ Sets out the HBOS plc Board's ("the HBOS Board") high level requirements for the environmental framework across HBOS plc ("the Group"); defines the environmental policy of the Group;
- ✎ Is recommended by the Group Risk Management Committee ("GRMC"), reviewed by the Group Management Board ("GMB") and approved by the HBOS Board;
- ✎ Applies to all Group operations within the United Kingdom;
- ✎ Applies to all Group operations outside the United Kingdom, unless:
 - ✎ Local standards are more rigorous (in which case they will apply), or it would be illegal under local law to apply the standards set out in this Policy Statement. If the local standards are below those set by United Kingdom legislation, the Group will apply its own Group standards.
 - ✎ Adherence to Group standards, outside the UK, would place the Group at a serious competitive disadvantage. Businesses should then make a case to the head of the Group Environmental Team who may approve standards that apply under local law; and which will comply with the Group Operating Philosophy document
- ✎ Supports the 'Group Operating Philosophy, Policies and Standards' document which defines the highest level of policies and standards for the Group.
- ✎ Any environmental procedures or processes issued within the Group are required to be consistent with the high level principles and standards established by this Policy Statement.

These targets are based on 2001, subject to a review of baseline data, and excludes the Halifax 1998 property portfolio - where a reduction of 10% in kilowatt-hours (kWh) per square metre, was achieved in 2002.

[Download the full document](#)

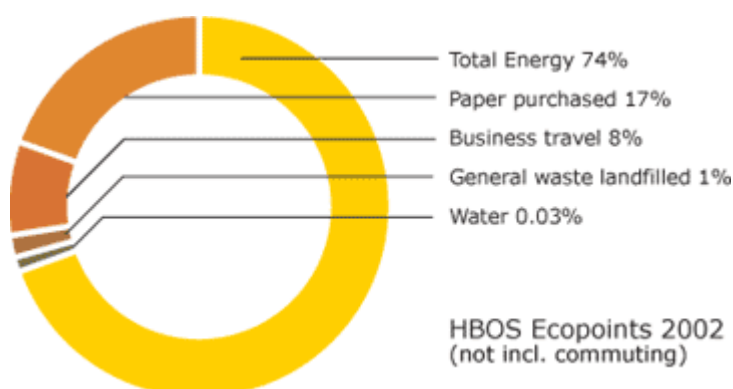
Targets and Continuous Improvement

We measure our progress using key performance indicators and external benchmarks. HBOS has been included in FTSE4Good since its inception. HBOS ranked 19th out of 39 financial services providers in the Business in the Environment 2002 Index of Corporate Environmental Engagement.

HBOS has an impact on the environment in two ways:

- ✎ Direct impact through such factors as the buildings we own, the paper we use and leaflets we print and the travel done on business
- ✎ Core business impact through the credit, insurance and investment decisions we make

HBOS has used a model developed by the Building Research Establishment and PA Consulting to improve understanding of where its direct, non-core business activities have the most impact on the environment. Most HBOS business is conducted in offices, and so much of our environmental impact comes through the use of energy, paper and business travel. Consideration is also being given to the effects of colleagues travelling to work.



New targets for HBOS Group were developed following the HBOS Board's approval of the HBOS Environmental Policy, in November 2002.

The HBOS waste target will be:

- ✎ to increase recycling of general office waste to 50% by the end of 2005.

The HBOS targets for energy and water will be:

- ✎ to achieve a 10% reduction of gas and electricity consumption, by 2004;
- ✎ to achieve a 6% reduction in water consumption, by 2005.

These targets are based on 2001, subject to a review of baseline data, and excludes the Halifax 1998 property portfolio - where a reduction of 10% in kilowatt-hours (kWh) per square metre, was achieved in 2002.

Areas Of Impact

Energy

HBOS uses an independent energy bureau to manage its energy usage. In 2002, the energy consumption was 450,308, 866 KWh.

HBOS has invested £1.2m in energy savings equipment over the last three years, helping save £2.25m and 17,000 tonnes of CO2. This helped Halifax Corporate and Retail sites achieve a 10% reduction in energy consumption per square metre (a 17.4% decrease in total energy consumption on the 1998 property estate) a year ahead of plan.

Halifax is midway through a two year contract to supply major corporate sites 10% with energy from renewable sources. This complements the existing supply of renewable electricity to Bank of Scotland sites. This is equivalent to a reduction in CO2 emissions for HBOS of 8,500 tonnes per annum.

HBOS was accredited under the Energy Accreditation Scheme in September 2002.

Water

Our businesses used an estimated 392,244 m3 of water in 2002. This is a relatively minor environmental impact for a service sector company such as HBOS.

Emissions and Waste

Our CO2 emissions from energy and business travel were 185,092 tonnes. The energy figure includes electricity, gas and is adjusted for electricity purchased from renewable sources. We used the UK Government, DEFRA Guidelines for Company Reporting of Greenhouse Gas Emissions to convert our CO2 data.

Waste for HBOS is estimated at 13,243 tonnes of which approximately 38% was recycled. This rate has improved from 31% in 2001 as initiatives such as new waste management procedures were introduced into Birmingham Midshires and HECM with targets to increase the proportion of general office waste recycled from 35% to 70%.

Transport

We have centralised our business travel purchase within HBOS and this has given us an opportunity to obtain regular and accurate reports on air and rail travel usage. Colleagues travelled approximately 85 million miles by car, rail and air on business in 2002. We have both video and audio conferencing facilities and encourage their usage to minimise both cost and environmental damage.

We are looking at employee car usage. We already stress the personal taxation benefits of company cars with lower emissions so colleagues are fully informed when making their choices. We have also introduced green travel plans at our major sites in Copley(Halifax), Wolverhampton and Leeds.

Lending Policy

Core Business

We aim to lend responsibly and apply the highest principles to the operation of our business.

We maintain a detailed internal guide to environmental risks associated with lending and leasing to help support our colleagues in the identification of lending issues. The guide provides internal and external signposts for additional advice and guidance.

A robust system of internal reporting identifies areas of both risk and opportunity in environmental responsibility.

Bank of Scotland is a member of the Aeolus consortium, contributing to a £1 billion fund for large renewable energy projects in the UK. Proposed UK projects have the potential to generate 1600 MW of renewable energy, powering 1.1 million households and saving 4.25 million tonnes of CO2 each year.

Carbon Trust

HBOS's Business Banking Division is working with Carbon Trust to help communicate the benefits of improving environmental management by small and medium sized Enterprises. Part of the project is to examine ways in which a large service sector company like HBOS can contribute to nationally agreed energy management and the reduction of greenhouse gas emissions.

Impact data qualifying statements:

- ✎ Energy figure comprises electricity and gas and includes renewable electricity
- ✎ An energy bureau undertakes verification of our energy data
- ✎ Business air and rail travel is part estimated
- ✎ Waste to landfill data has been extrapolated, based on a sample of sites throughout HBOS
- ✎ Paper data has been extrapolated from Halifax figures to provide an estimate for HBOS Group
- ✎ DEFRA's "Guidelines for Company Reporting on greenhouse gas emissions" has been used for CO2 conversion data
- ✎ Data and methodology are analysed as part of an ongoing audit programme and subject to continuous review and enhancement

Where Can We Do Better?

Our branches are often involved in recycling their empty printer cartridges and sometimes they have been able to send surplus IT equipment and furniture away for re-use. However, in common with many financial institutions, we are a major consumer of paper, despite the so-called "paperless office". This is an issue for many customers and colleagues who feel that we don't do enough to reduce our use of paper, or to recycle our waste paper. We will put in place a paper distribution and recycling initiative starting with our Retail Banking network this year. In our next report, we will set out what we have achieved.

Workplace

Workplace Introduction

HBOS's relationship with its employees, our colleagues, is one of its most significant social impacts. We are working to ensure greater diversity and equality of opportunity across all areas of our business. We are also committed to the development of our colleagues through flexible working schemes and widening options for training. HBOS invested £50 million in developing our colleagues' skills during 2002.

Equality and Diversity Policy

At HBOS, the diversity of our people, products and services is at the heart of our mission to be the new force in banking. We will demonstrate fairness and respect in our dealings with our colleagues, customers, shareholders, investors, suppliers and communities in which we operate.

[Download the full document](#)

Employment policies and practices

We value our people very highly. It is only through motivated and enthusiastic colleagues that we will win and maintain the trust of all our stakeholders. We treat our colleagues with respect, provide them with clear goals and encourage them to achieve their full potential.

We have developed family friendly policies recognising individual circumstance. These include:

- ✎ **Parental leave**
13 weeks unpaid leave for colleagues with children up to 7 (26 weeks where child has a disability)
- ✎ **Compassionate leave**
for bereavement or serious illness of a colleague's immediate family member
- ✎ **Emergency leave**
for unexpected incidents involving a colleague's child e.g. arranging care for a child who falls ill
- ✎ **Career break**
for a period between 3 months and six years, after one year's service
- ✎ **Family leave**
for new parents (including maternity, adoption and paternity leave)
- ✎ **Special equipment**
where required to assist colleagues with disabilities

Employee Relations

We continue to work in partnership with ACCORD and UNIFI, the two unions with the greatest membership drawn from our colleagues, to identify opportunities to improve colleague conditions at work.

Rewards and Benefits

We reward people for success and performance. We have a robust appraisal process with rewards based on merit and on individual, team and company performance. Our Remuneration Committee, made up entirely of independent non-executives, publish a detail remuneration report as part of our Annual Report and Accounts

Diversity and Opportunity

The diversity of our people, products and services at is the heart of our mission to be a new force in banking. If our colleagues reflect the local communities from which we draw our customers and our success, we will be better able to understand and deliver what our customers need.

Our diversity policy is attached .In it, we commit to encourage colleagues to reach their full potential regardless of gender, colour, race, nationality, parental status, sexual orientation, disability, age, religion or political affiliation. We recruit on merit and interview every candidate with a disability who meets minimum criteria.

Diversity standards of excellence have been developed to provide a flexible operating framework for our businesses, each of which have set up their own Diversity Taskforce to determine and carry out their own plans. We have also set up employee equality networks to support this work.

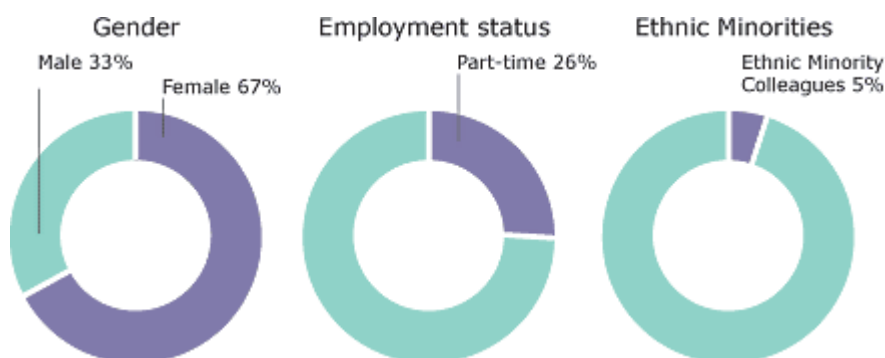
We have been recognised through high profile awards including the Queen Elizabeth Foundation EASE Award, Opportunity Now, Personnel Today and New Impact British Diversity wards.

In particular, we were awarded the Gold Standard in the Business in the Community Opportunity Now Benchmarking Study on gender and confirmed as one of the top 10 private sector companies in the BITC Race for Opportunity Benchmarking Study.

[Click here to read highlights of the report](#)

We participate in a number of external networks including the Diversity Alliance covering gender, age, disability, sexual orientation and race issues.

Workforce Statistics



HBOS Women in management



* The 2002 data covers both Halifax and Bank of Scotland. Previous years are Halifax only

Training & Development

In 2002, we invested £50 million in developing the skills of our colleagues. We support the learning needs of colleagues in a variety of ways. We provide tailored offsite courses, distance learning, on the job learning, product knowledge sessions, development for senior managers and special events for graduate entrants.

We also have a staff secondment programme so that colleagues can taste different working environments. This programme extends to enterprise bodies and charity partners.

Health & Safety

Health & Safety is a high priority for us. We have trained Health & Safety Officers across our sites and encourage everyone to take responsibility for the health and safety of colleagues, customers, contractors and visitors.

Race For Opportunity benchmarking 2003

The following are all extracts from the Race For Opportunity report, which benchmarked the performance of HBOS against the following Key Performance Indicators:

Leadership and the business case

Good evidence of progress in establishing key ambassadors to provide an internal focus by engaging your Board of Directors and the Group Management Board in endorsing your Equality and Diversity Strategy. Very strong commitment is demonstrated by the personal involvement of your Chairman as well as your senior managers in the 6 business units.

You have also made significant progress in transferring the equality and diversity agenda firmly into the line by making your Diversity Champions personally accountable for engaging their part of the business as well as responsibility for 6 monthly feedback to the Chief Executive.

Delighted to see that your Diversity Strategy is underpinned by a commitment to Corporate Social Responsibility and embraces greatest customer advocacy, most motivated colleagues and highest sector rating which takes into account the individuality of each business within HBOS.

Making the Investment

Good evidence. You achieved a significant increase of 23% over last year. Great to see that HBOS are making such a big investment in their ethnic minority people by giving them the tools and techniques to make career decisions and identify whether they require development opportunities. Your evaluation and review of this section will make interesting reading.

Policy and Planning

Good evidence. Innovative and creative use of traditional policies, which provides solutions to today's challenges by positioning them in a different way. For example we like your use of the flexible working policy to support ethnic minority colleagues and the business during religious/celebratory festivals.

Communication

This was the highest scoring section of your benchmarking report for both 2002 (96%) and 2003 (98%) which endorses your statement that there had been some improvement in your communication methods and your confidence in marking yourself 'current and effective' in all areas under this section.

Good evidence of a diverse range of creative and traditional methods used to communicate key messages and share best practice both internally and externally.

Marketing

Good evidence. You told us that the success of your marketing has been the result of the extensive research undertaken in 2002. This has given you greater insight and understanding of your customers values and aspirations, which, coupled with your organisation's joined up working on equality and diversity, has given you a huge insight into the customer base that you aspire to gain.

Sharing Ownership

The huge increase in your score from 63% to 93% indicates the significant effort that you have made in this year's results. You have made tremendous improvements by engaging and consulting with your ethnic minority customers and staff as well as addressing many of the points highlighted in last year's report.

Employment Practices

Brilliant example of how increased cultural awareness and understanding can give significant returns in staff motivation, morale and more flexibility in maximising resources.

Fantastic results in the significant increase in the levels of ethnic minority representation at junior levels albeit there is more work to be done in increasing representation at more senior levels.

Community Involvement

This is one of your strongest areas and was very consistent with last year's results.

Excellent examples of community involvement programmes, which really makes a difference.

Working with ethnic minority businesses

Fantastic that you now have a diversity training programme for Business Banking Advisers, Business Start Up teams and Relationships Managers which take into account the needs of ethnic minority businesses as well as key influences in building good relationships with them.

Results and Impact

Good evidence of a co-ordinated strategic innovative approach which has paid dividends in terms of your bottom line, increased customer base, market penetration and increased ethnic minority representation where Race Groups have been established. We would love to hear how you intend to sustain and improve on this level of

performance.

Committed To Listening

HBOS is fully committed to two-way communications with its employees, which includes extensive use of business television and a comprehensive research programme.

Research activities include Monthly Tracker, which uses a random sample of employees to monitor sentiment, and an annual opinion survey run by MORI.

The Opinion Survey is a complete census which provides very accurate data, right down to department or branch level, while Tracker allows us to spot any changes in mood or opinion.

For two years running the opinion survey has broken MORI's record for response rate. This year, no fewer than 88 per cent of employees took the opportunity to complete a questionnaire and have their say.

The 2003 results show that job satisfaction rose by 2% during the year to 67%, while advocacy of HBOS as an employer rose 1% to 56% and understanding of the company's objectives climbed 9% to 70%.

But some results were disappointing. Managers' scores for coaching their teams fell 2% to 58% and only 29% of respondents thought that things would change as a result of the survey.

MORI commented: "The results compare well to the typical scores MORI finds in other financial organisations and also show improvements compared to last year."

Business Ethics

Trust and integrity are central to our business. We have developed standards and procedures for our colleagues to follow in this area. During 2003, we plan to carry out more work in evaluating and refining our procedures and guidelines, and to communicate them across the Group.

Money Laundering

HBOS is subject to the Money Laundering Regulations, a statutory requirement on deposit takers to have systems in place to check the identity and to keep records about new customers. Failure to comply is a criminal offence.

Not everybody has items of identification. The British Bankers Association and others have made representations on the impact of the Money Laundering Regulations as a possible barrier for certain groups such as those on low incomes in entering into a banking relationship. In the Marketplace section of this report, we describe some of the initiatives that HBOS has established to help overcome some of the problems.

Political Donations

HBOS has a policy of not providing funding for any political party and declares this in its Annual Report.

Our diversity statement described in our people section is clear that no member of staff will face discrimination based on their political views.

Competition and Pricing

HBOS has a competition strategy based on taking on the "Big Four" banks. For example, current accounts are the "gateway" financial services product, but until recently there was little competition in this market. In 2001, Halifax launched a market-leading current account, paying very much more interest than competitors. The success of this product is reflected by the fact that HBOS accounted for 27% of the current account 'switchers' market in 2002.

Following our merger, Bank of Scotland pursued a similar strategy, and now offers the most competitive current account on the Scottish high street. The Bank is also offering interest on its business banking current account, and a commercial "offset" mortgage.

In bancassurance, HBOS is now the third largest UK life insurer, and the first bancassurer to offer 'no load' long term savings products. HBOS is also the biggest arranger of general insurance in the UK, and the only mortgage lender to have given a general commitment to its customers on flood risk.

During 2002, The Competition Commission undertook a formal investigation into financial services markets, specifically into the supply of banking services to Small and Medium Sized Enterprises. The results were published in March 2002. The Commission found that a complex monopoly existed and commented on the practices of the eight largest groups including Bank of Scotland. The details of the report can be found at the Competition Commission Website, www.competition-commission.org.uk

Where Can We Do Better?

We aim to make all our branches places where customers with disability can do their business. This is not yet the

case, so we plan major improvements to the service we offer, with the emphasis on ease of access into and around our branches by introducing lower writing shelves at counters, and lower external ATM's, where reasonably practicable. We also plan to change our procedures on Power of Attorney, a key issue for some of our customers who become mentally incapacitated, to make it easier for friends and relatives to help out with transactions.

We recognise that, despite significant progress in recent years, we should have more female managers, especially at senior level. In the retail business we set performance indicators for representative shortlists for external search and selection activities. We will report our progress in this very important benchmark year.

Community

HBOS Foundation

The HBOS Foundation established in 2002 is a charitable company limited by guarantee and registered in Scotland. Its remit is to co-ordinate the work of HBOS and our colleagues in local communities. The Foundation is committed to invest £20m between 2002 and 2007.

The Foundation's work is structured on two levels:

- ✎ A Partnership Programme, for smaller grants put forward by our colleagues. The programme is organised by regional co-ordinators representing each of the business divisions and major brands, with local decision-making within agreed delegated authorities.
- ✎ A National Programme, for substantial initiatives with broad appeal. Such initiatives are evaluated by Group Community Relations, with large grants being approved by the Trustees of the HBOS Foundation.

This structure provides a distinctive and recognisable identity for HBOS's charitable giving, which encourages local involvement and yet enables us to support substantial initiatives aligned to our core priorities. The bulk - approximately 75% - of decision making, activity and expenditure takes place at a local level, mirroring our organisational structure of a devolved, decentralised framework of five Divisions, with national co-ordination, in contrast to other banks which have tended to retain a highly centralised 'head office' approach.

HBOS Foundation aims to enter into partnerships that are sustainable and of mutual value. Its activities fall into two broad themes. These are:

- ✎ [Money Advice and Financial Literacy](#)
- ✎ [Developing and improving local communities through the involvement of colleagues](#)

Money Advice And Financial Literacy

The ability to take effective decisions and make informed judgements are important skills for life. These are skills which some can find difficult to learn. It is in all our interests that people have the confidence and capability to manage money and we are able to apply some of our expertise in this area to gear up the impact any funding may have. That is why the HBOS Foundation has chosen this as a central theme. Examples of initiatives supported are:

Money Advice Trust

Prior to the launch of HBOS Foundation, Halifax supported the Money Advice Trust (MAT) for a number of years. MAT is the umbrella organisation for debt counselling agencies. Local Citizens' Advice Bureaux link up with MAT, and in the early 1990s Halifax provided £250,000 a year, which was distributed on recommendation of branch managers to local CABs.

At a national level, Halifax now works with the National Association of CABs (NACAB) to develop debt counselling procedures. Halifax agreed to provide £150,000 of funding to National Debtline, a telephone money advice service for individuals, split over three years. The first donation of £50,000 was made in early 2000. In addition, during 2002, an HBOS colleague seconded to MAT joined the organisation on a fulltime basis.

NACAB is developing an intranet system which is due to be completed in 2004/5. The project will cost around £24 million, half of which is coming from their own funds. They have received around £1.5 million from the DTI, with the remainder being made up from fund raising initiatives and gifts in kind. The introduction of CABNET will enable better exchange of information between CABs and will improve their case management system. Halifax is providing £100,000 over two years to support this initiative, which will provide:

- ✎ Details of Money Advice and finance education/information pages on the NACAB intranet.
- ✎ Support for call centres that will operate the public information service.

Age Concern

The HBOS Foundation has recently agreed to fund a project that will help train advisers to raise awareness of Government benefits for older people. Pensioners fail to claim up to £820 million in income support. Thanks to

funding from The Community Fund and the HBOS Foundation, Age Concern will be able to develop its existing Information and Advice services for older people, and help them obtain the money they are entitled to.

One in four inquiries Age Concern receives is about the take-up of benefits. Research shows that high numbers of older people do not access their full entitlement. Older people, who often survive on a low income stand to gain the most from knowing how to claim all their benefits.

Funds provided by the Community Fund and HBOS Foundation will provide training for up to 1,000 Age Concern staff and volunteers to help them to support older people throughout the UK in making sure they claim all their financial aid.

Developing And Improving Local Communities

An important part of what the Foundation is setting out to do is to help individuals and groups work together to ensure a better quality of life within their community. Projects may include:

- ✎ Helping voluntary and community groups become more effective and efficient
- ✎ Initiatives designed to tackle social exclusion.
- ✎ Working with people on low incomes, at risk from poverty or with problems finding accommodation
- ✎ Improving the standard of local facilities and the local environment
- ✎ Assisting people in rural and urban areas with access and transport schemes
- ✎ Schemes to support community care work
- ✎ Access to technology

Projects supported include:

- ✎ Eureka, the UK's leading childrens' museum, was supported from its inception by Halifax, to help develop a stronger arts infrastructure in West Yorkshire. This has helped to attract more visitors and investment to the region. Eureka was also one of the first projects supported by the HBOS Foundation. A new interactive gallery for the complex in Halifax was partly funded through HBOS Foundation investment. Children are taken on a journey from polar regions to oceans and deserts, opening their eyes and feeding their imagination.

HBOS Foundation has also supported Grounds for Learning in Scotland, an innovative programme to regenerate corners of school playgrounds.

Enabling colleagues to get involved in their local communities

The HBOS Foundation encourages the direct involvement of colleagues in their local communities, through projects of its own, or initiatives run by Business in the Community's Cares scheme.

Such voluntary work brings benefits to all involved, not least to HBOS itself, which gains from our colleagues' new experience and the contacts that they make in the community.

The company matches time spent on volunteering by colleagues and also provides a grant of up to £250 to each project. The Foundation will also match any funds raised by colleagues on community development or financial literacy projects.

As the portfolio of projects supported by the Foundation grows, more volunteering opportunities will be publicised. In addition, we run two flagship initiatives to encourage volunteering:

£1Million Challenge

In early 2003, HBOS colleagues chose Macmillan Cancer Relief as their Charity of the Year and during the year we aim to raise a million pounds for Macmillan.

Cares

Cares is an initiative run by Business in the Community, set up to help people get involved in their communities in ways that suit them. HBOS has become a member of a number of Cares partnerships in locations across England, Wales and Northern Ireland. Colleagues can get involved in:

- ✎ One off team challenges
- ✎ Action days - involving volunteers from many different employers
- ✎ Individual volunteering opportunities

A group of colleagues from Northern Ireland has become involved in a team, challenge.

EAZ Calderdale

Prior to the launch of the HBOS Foundation, Halifax offered to participate in a vital education initiative in its home town. When poor performance from schools in the area resulted in the government classifying Calderdale as an

Enterprise Action Zone, Halifax provided a five-year, £1 million funding package, the largest private sector contribution of its kind. Halifax also asked colleagues to get directly involved in local education. As a result, 15 Halifax colleagues have been working as governors in local schools. Over 100 Halifax staff have also participated in helping raise literacy levels by volunteering in local schools.

Commercial Sponsorship

HBOS has a long tradition of involvement in commercial sponsorship. The Group has a strong commitment to Scotland through its Bank of Scotland brand. We believe that our business will only benefit, if we work in partnership to bring real value to our partner organisations. This means that you have to develop partnerships grounded in understanding, respect and a shared vision on mutual benefit.

We have a commitment to act responsibly in this area, as sometimes, our support can be vital to the groups we support. We deliberately seek to link our sponsorships to access for all. HBOS is one of the country's largest sponsors of the arts and youth sport.

Complementing the work of the HBOS Foundation, our aim is to strengthen the economic and cultural vitality of our local communities and to encourage diversity and excellence in sport and the arts. We sponsor projects that are of national significance and have a relevance to our customers and our colleagues.

Arts

In 2002 over £3m was invested by HBOS to support the development of the arts throughout the country.

The projects we are involved with place particular emphasis on increasing access to the arts, developing the potential of young people and promoting excellence.

We are particularly keen to extend people's access to the arts and support tours by national companies across the country. We encourage children to recognise the importance of the arts through our award-winning and long-standing sponsorship of the Bank of Scotland Children's Festival.

Sport

In 2002, we invested over £3m to encourage excellence and participation in sport helping more than 20,000 young people to take part in sporting events.

In 2002, we also sponsored the Scottish Team, which competed at the Commonwealth Games in Manchester. A good investment as the medal count doubled over previous Games.

Our focus is on youth development programmes, which encourage participation and excellence in sport. We actively support grassroots development for major participation sports. Examples include:

Talented Young Scottish Athletes

The Bank of Scotland Talented Young Athlete Programme provides young athletes with an impressive package of support and training including personal coaches, travel support, lifestyle and nutritional advice and event condition advice..

Since the programme was launched in 1999, over 200 athletes have benefited and they have together won over 100 medals at British, Commonwealth, European and World level.

Learn to Swim

Bank of Scotland launched its Learn to Swim syllabus in 2000 along with its partners Scottish Swimming, Sportsmatch, the Institute of Sport and Recreation Management and Local Authorities in Scotland as the largest and most comprehensive scheme to help young people in Scotland into the water.

The syllabus is an aid to teachers offering five levels and model lesson plans and teaching points.

Junior Masters

Over 2500 young boys and girls are set to participate in the largest national under 16 golf handicap in Scotland. The competition is run by the Scottish Golf Union with support from the Scottish Ladies Golfing Association and culminates in a national grand final played out on the world famous Queens course at Gleneagles.

Bank of Scotland Premierleague

The Bank of Scotland title sponsorship of the Scottish Premierleague is our flagship programme. We are proud to have supported the league from its inception in 1999 and the enjoyment that the sport brings to the millions of spectators that watch every week.

Our sponsorship of football is not just about bright lights and the big games. We believe that football is an immensely powerful way of connecting and enthusing people and that we should work to help as many people as possible to enjoy the experience.

Consequently, our sponsorship of the Premierleague includes involvement in many football-related initiatives that benefit the community including:

Midnightleague

Midnightleague is a five-a-side tournament with a difference: matches take place between 10pm and midnight and are aimed at keeping young people off the streets.

Bank of Scotland introduced Midnightleague to the Scottish Premier league as part of its sponsorship, and is now extending the idea to other football clubs in England. The idea came through Birmingham Midshires, part of the HBOS Group, which successfully launched this innovative sports sponsorship scheme with Wolverhampton Wanderers.

Soccer Sight

Under this scheme run with the Royal National Institute for the Blind, a match day commentator is trained to work with each of the 12 Bank of Scotland Premierleague teams to provide blind and partially sighted fans of each club a running commentary of the game. This forms part of a wider initiative whereby RNIB made recommendations on improving the experience for blind and partially sighted football supporters.

Where Can We Do Better?

The opportunity for us to increase volunteering activity is significant. Following the recent launch of a volunteering program for colleagues in England and Wales, work has also begun on launching a similar program in Scotland. HBOS Foundation Foundation is now matching time spent, and providing a grant of up to £250 for each individual in support. This grant scheme is in line with our Foundation's focus on community development and financial literacy.

Voluntary work will bring benefits to all involved, not least to HBOS itself, which gains from our colleagues' new experiences and the contacts that they make in the community.

Extras

News

News

There are no current news items. Please check again later.

Case studies

Case studies

These case studies illustrate the type of work that HBOS does in a broad range of communities, to demonstrate how our Corporate Responsibility policy works in practice.

Digital Inclusion

HBOS is a leading online bank with a strong commitment to fostering "digital inclusion". Over 650 branches are linked to our Online Service, through Click and Call units in our banking halls. We are the biggest operator of such units, designed specifically to help our customers, particularly the elderly, who may be unfamiliar with the internet.

Community Banking at Wester Hailes

The Bank of Scotland's Sighthill branch in south west Edinburgh is a location from which HBOS has reached out to local communities. In March 2001, Bank of Scotland signed Europe's first Community Banking Agreement with the neighbouring community of Wester Hailes, aimed at improving access to financial services and advice for all residents.

Providing environmentally friendly energy with Utilicom

Bank of Scotland's corporate banking division has helped its client Utilicom to expand Southampton's environmentally friendly district energy scheme. This incorporates the UK's first geothermal and CHP (combined heat and power) scheme. Working like a giant central heating unit, powered by the earth's natural heat, and natural gas used in the CHP plant, Utilicom's scheme provides a combined power, heating and chilling service. A total of 20 major buildings in the city are heated by the low-emission system, including the Civic Centre, the Royal South Hants Hospital and four hotels. Around 10,000 tonnes of CO2 emissions are saved by the scheme each year.

Car sharing and biking in Copley

Travelling to work alone in a four door family 1.8 litre saloon burns on average enough petrol to emit 0.36kg of CO2 for every mile travelled. Car sharing is therefore a particularly effective way of reducing environmental impact. This is exactly what is happening at the HBOS site at Copley, near Halifax where an innovative scheme is helping people share the drivetime, save money and benefit the environment.

Storage racks, showers and lockers have also been installed at Copley for bike users, as part of a green travel plan for the site.

Sana Rana and the Halifax Woolshops Branch

Sana Rana is a mortgage adviser at Halifax Woolshops branch, which serves a large Asian community in the town. Sana has pioneered the use of dual language posters and literature within the branch and has built up strong community links to encourage personal contact and ensure that all cultures are equally respected. The results have been impressive, with over £6 million of new mortgages sold by the branch.

Dual language provision is just one example of the way that Woolshops is working on diversity. The branch reflects many of our diversity policies, with a roughly even split between women and men among the 19 full-time colleagues, a third of whom are Asian.

There are usually about seven part-time workers in the branch, able to shape their working day to match their personal circumstances under our flexible working initiative. There are opportunities for colleagues to develop through training programmes, over and above the weekly 30 minute sessions in the branch. After 12 years at the branch, one colleague is spending part of 2003 on secondment at Retail head office, and branch colleagues have spent a total of 30 days training outside the branch during 2002.

Woolshops has recently been refurbished to ensure easy access for people with disabilities. There are also induction loops for customers with hearing impairments and cash machines have been lowered to ensure they are accessible for those who use a wheelchair.

Carol Cane and Christ Church Primary School

Over 100 Halifax colleagues are taking an active role in the HBOS Foundation's support of the Education Action Zone in Calderdale, West Yorkshire. Carol Cane (pictured in blue), a finance manager at Halifax's Retail Banking head office, is a governor of Christ Church Primary School in Pellon Lane, Halifax.

Links and contacts

Contact details

HBOS will be reporting regularly, at least annually, with updates appearing on this site during the year. We aim to have a dialogue with our stakeholders, and if you would like to contact us on any issue affecting our corporate responsibility policy or performance, please e-mail:

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Links

HBOS plc

The main HBOS website.

www.hbosplc.com

Business in the community

HBOS supports both BitC's CR Index and its corporate impact reporting website.

www.iosreporting.org

Insight Investment

Visit the Insight Investment website for more information about Insight and the Global Business Principles project.

www.insightinvestment.co.uk