



HBOS plc

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**FOR IMMEDIATE RELEASE**

## **The Boards and Corporate Responsibility Project**

Business in the Community, FTSE Group and Insight Investment today launch a consultation into effective board oversight of corporate responsibility. The project seeks to clarify;

- What must boards do to ensure that companies address corporate responsibility effectively?
- What can they safely delegate to executive management?
- How do boards address this topic within UK companies today?

The project will identify and build consensus about board best practice in UK public companies by undertaking interviews and round-table discussions with board directors and company secretaries, as well as wider consultation with corporate responsibility and governance experts. The project will publish its findings in a report due in autumn 2005.

The project partners have an active interest in this topic and believe that identifying and sharing best practice is urgently required. Growing interest among company boards and their institutional investors, the evolution of corporate responsibility indices such as BitC CR Index and FTSE4Good Index Series, and regulatory developments such as the Turnbull review and the new 'OFR' requirements are all leading to differing requirements.

"Effective board action on corporate responsibility is essential to sustainable shareholder value creation. Inadequate governance on this topic exacerbates business risk, and can lead to pressure for expensive and intrusive regulation. We hope that by identifying best practice in this area we can improve effectiveness without imposing additional burdens on boards," said Dr. Craig Mackenzie, head of investor responsibility, Insight Investment.

"A central goal of Business in the Community is to encourage companies to integrate corporate responsibility into their routine decision-making. Our Corporate Responsibility Index measures their success at this. We hope this project will help clarify best practice in this vital topic, and encourage progress," said Julia Cleverdon, chief executive, Business in the Community.

"FTSE Group plays an active role in the corporate social responsibility arena. By participating in this project, we hope to uncover further best practice to

inform the future development of our offering to companies and investors,” said Mark Makepeace, chief executive, FTSE Group.

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**Notes for Editors**

The Corporate Responsibility project is a partnership between Insight Investment, Business in the Community and FTSE Group. It seeks to uncover best practice in the management of corporate responsibility by boards in the UK’s listed companies. For more information on the project please visit:

<http://www.insightinvestment.com/responsibility/project/boardsproject.asp>

About Insight Investment

Insight Investment Management (Global) Limited is the asset manager of HBOS plc. Insight Investment manages funds for institutional and retail clients across the full range of asset types, with £77.7bn in assets under management as at 31 December 2004. As a large institutional investor, Insight has a commitment to engage constructively with the companies in which it invests, to encourage high standards of governance and corporate responsibility. Insight believes that it is in the long-term interests of both its clients and wider society that investors fulfil this role.

Insight Investment’s web address is [www.insightinvestment.com](http://www.insightinvestment.com)

About Business in the Community and the Corporate Responsibility Index

Business in the Community is a unique movement in the UK of over 750 member companies, with a further 2000 plus engaged through our programmes and campaigns. We operate through a local network of more than 100 business led partnerships and 60 global partners. Our purpose is to inspire, challenge and support business continually improving its impact in the community, environment, marketplace and workplace.

The Corporate Responsibility Index is the business-led benchmark of responsible business practice which provides a management tool to support companies in improving their social and environmental performance, whilst providing a systematic approach to managing, measuring and reporting upon

their impact upon society. The results are published annually in the Sunday Times Companies that Count supplement (published 3 April 2005). For further information [www.bitc.org.uk/companiesthatcount](http://www.bitc.org.uk/companiesthatcount)

### About FTSE Group

FTSE Group is a world-leader in the creation and management of indexes. With offices in Beijing, London, Frankfurt, Hong Kong, Madrid, Paris, New York, San Francisco, and Tokyo, FTSE Group services clients in 77 countries worldwide. It calculates and manages the FTSE Global Equity Index series, which includes world-recognised indexes ranging from the FTSE All-World Index, the FTSE4Good series and the FTSEurofirst Index series, as well as domestic indexes such as the prestigious FTSE 100. The company has collaborative arrangements with the Athens, AMEX, Cyprus, Euronext, Johannesburg London, Madrid, NASDAQ and Taiwan exchanges, as well as Nomura Securities, Hang Seng and Xinhua Finance of China. FTSE also has a collaborative agreement with Dow Jones Indexes to develop a single sector classification system for global investors.

FTSE indexes are used extensively by investors world-wide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds. Independent committees of senior fund managers, derivatives experts, actuaries and other experienced practitioners review all changes to the indexes to ensure that they are made objectively and without bias. Real-time FTSE indexes are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.