



Making a world of difference

“Delivering value responsible and

About us

\$2,681m
operating profit
(before tax)

89 nationalities

43,899 employees

1,299 branches
& corporate offices

56 countries
and territories

\$2,145m
paid in salaries

In preparing this report, and the more detailed information available on our website, we have taken account of the following:

- Global Reporting Initiative's (GRI) 2002 Sustainability Reporting Guidelines
- Global Reporting Initiative and UNEP FI recommendations for financial sector reporting
- UN Global Compact Communication on Progress

This review reports on performance against targets we set at the end of 2004 and highlights some of the key successes and challenges going forward. We also report against the eight core sustainability themes that stakeholders helped us identify in 2005.

This represents a move towards a more integrated and targeted reporting strategy which consists of this summary; more detail in our Annual Report; in-depth information on our website; and rolling reports against key priority areas.

Front cover:
Roving ambassadors for Seeing is Believing.
Henry Wanyoike (right) and Joseph Kibunja (left).

Throughout this document, unless a currency is specified the symbol \$ means United States dollar.



Mervyn Davies, CBE
Group Chief Executive

Bryan Sanderson, CBE
Chairman

to shareholders through sustainable business practices”

As we are shifting our focus towards building a sustainable business, this is our last report entitled Corporate Responsibility.

The need for the Bank now to think in terms of building a sustainable business reflects our determination to take a long-term view of the consequences of our actions. In a world of increasingly finite resources, faced with challenges of climate change and pandemics capable of widespread destruction, it is essential that our business is sustainable.

Delivering a sustainable business means attracting high quality staff; delivering better products and services that meet the needs of our markets; contributing to a sustainable environment; and ensuring we have the trust of customers, shareholders, employees and other interested groups. It also means using our core skills, services and talent to turn emerging issues into opportunities, to do the right thing that will ensure the right sort of change happens for the good of our business, the economy, society and the environment.

We made good progress in 2005 on a number of fronts including our reporting of corporate responsibility activity, understanding of its relevance and in the governance of our approach through the Corporate Responsibility and Community Committee. This committee, which met for the first time in 2005, sits alongside the three other committees of the Board.

Fundamental to making further progress is listening and responding to the needs and views of our stakeholders; of governments,

socially responsible investors and NGOs. In 2005 we undertook specific stakeholder and peer group research which has helped us identify eight core sustainability themes (see right). The feedback we have received from our stakeholders and these eight themes shape the agenda for the Corporate Responsibility and Community Committee.

Discussions with stakeholders also revealed the desire for the Bank to be more forward looking in our response to key risks and opportunities. We are already doing this. However, we recognise that effective sustainable solutions require longer-term thinking, so we plan to publish a strategy towards the end of this year that will describe what we hope to achieve, targets and the roadmap for progressing each of our core themes.

Looking forward, we still have a lot to do. Our priorities for 2006 will be:

- 1 To develop a global stakeholder research network.
- 2 To develop a Group-wide approach and stance towards building a sustainable business, including a gap analysis of activities and policies.
- 3 To understand and define the focus and boundaries of our influence.
- 4 To embed a consistent understanding internally of what building a sustainable business means for Standard Chartered.
- 5 To focus on the boundaries of sustainability reporting in particular in relation to sustainability risk evaluation and the Equator Principles.
- 6 To continue to build momentum as an international thought leader in building a sustainable business.

For some time now one topic has dominated the media – the issue of climate change. The arguments surrounding the man-made nature of our changing climate are all but over. It's not so much a case of 'if' but 'how much' the world we are living in will change and about how much we need to do to mitigate the threat of global warming. We recognise that there is much more the Bank can do. So our approach to protecting the environment will be a major focus for 2006.

In summary, we need to view all our actions not just in terms of their economic potential but also of their environmental impact and social contribution. We believe this to be a sensible business approach to meeting our own and our stakeholders' needs and most importantly ensuring we are a successful, sustainable business in 150 years' time, as we have been since 1853.

Our core sustainability themes

- 1 Social and environmental risks in lending and the Equator Principles
- 2 Responsible selling and marketing
- 3 Tackling bribery and corruption
- 4 Access to financial services (accessibility of products/ social inclusion/microfinance)
- 5 Treatment of employees including diversity and inclusion
- 6 Health, safety and security
- 7 Climate change and the environment
- 8 Community investment and employee volunteering

Factors raised as significant in stakeholder feedback

	% of respondents
Sustainable lending (including Equator Principles)	81
Money laundering and transparency	38
Access to financial services (including microfinance)	38
Embedding corporate responsibility into performance	38
Climate change and the environment	38
Treatment of employees	32
Communication and transparency	25
Responsible selling and marketing	25
Health and safety, including HIV/AIDS	25
Diversity and inclusion	19
Community investment	19
Supply chain	13
Philanthropy	6

Customers

It is important that our customers trust the products and services we provide. Offering the right products, selling and marketing them responsibly, tackling financial crime, and managing the social and environmental risks of projects we finance, all contribute to building this trust.

Highlights

80% of Consumer Banking customers are loyal and positive, up 6% from 2004

93% – service quality index for Wholesale Banking customers, down from 99% in 2004

2,995 employees completed e-learning on sustainable lending

18 Equator Principle projects were approved

\$24 million of loans were extended to microfinance organisations, with plans to increase this level to \$100 million by 2007

more information

For more information on the following issues:

Sustainable lending

Our policy on social and environmental risk in lending and how we are embedding the Equator Principles into project finance business

Corruption and financial crime

Our Know Your Customer campaign and the Bank's Employee Code of Conduct

please visit the Customer section of our website at:

 www.standardchartered.com/corporateresponsibility

Sustainable lending

We have made great strides in our approach to promoting sustainability through our lending practices. Social and environmental training is now given as part of the overall risk training programme. 2,995 employees were trained through specialised e-learning programmes in 2005. A further 200 graduates were trained as part of the risk curriculum. In 2005 the Group began to revisit our approach to sustainable lending, taking into account the views of stakeholders and new and emerging practices such as reporting recommendations from the UNEP Financial Institutions/Global Reporting Initiative task force in which we participate.

The review will continue into 2006 and look at such issues as market trends, the need to have specialist approaches and checklists for specific industries and sectors, and improving our process by, for instance, introducing standard check sheets. It will also assess the need for further specialist training for key people such as relationship managers who are involved with specific industries.



Promoting Awareness

We want to foster transparency and improve awareness of sustainability issues. In 2005 we recognised a more formalised approach and a robust framework was required to enable us to deliver on this ambition.

Equator Principles project classification

Project classification	Number of projects approved	% of total projects approved	% of Bank share of project value
A	5	28%	53%
B	10	55%	35%
C	3	17%	12%

Project classification	Middle East	Asia	Africa	Americas/ Europe
A	4	1	–	–
B	7	1	1	1
C	–	–	–	3

The Equator Principles

In October 2003 the Bank adopted the Equator Principles – a set of guidelines for addressing environmental and social concerns in major infrastructure projects. Standard Chartered has developed its own policy and set of procedures based on the Equator Principles framework that ensures we assess and manage the environmental and social risks in project finance transactions.

Projects are now categorised and evaluated according to their environmental and social risks. This categorisation is in line with the requirements of the Equator Principles and the International Finance Corporation (IFC) guidelines.

In 2005 18 transactions were approved – 5 were category A (higher risk), 10 category B (medium risk), and 3 category C (lower risk). These projects involved a total funding commitment from the Bank of \$897 million – representing 4.8 per cent of \$18.6 billion worth of the total capital cost of these projects.

Delivering value through responsible selling

In 2005 we reviewed the Bank's products, policies and processes in light of the UK Financial Services Association (FSA) initiative on Treating Customers Fairly (TCF). As a result, Group-wide selling and marketing policies were endorsed against a range

of measures including governance and assurance processes, data protection, complaints handling and mis-selling. In order to make TCF a Group-wide initiative, we will rework part of our internal education curriculum and increase staff awareness through a specific e-learning program. At the same time, research is being conducted to identify practices that our own customers, and customers of other banks, consider to be 'unfair'.

We define fairness in a number of ways. These include understanding customer needs; not taking advantage of those who are not in a position to understand the risk, character or nature of a proposed transaction; not to exert undue pressure on a customer to enter into a transaction; not concealing material facts or otherwise trying to mislead customers; identifying and taking action on any conflicts of interest; and maintaining a clear set of procedures to ensure complaints and disputes are resolved fairly and quickly.

Corruption and financial crime

Tackling financial crime – whether it involves fraud, money laundering or corruption – is of growing importance. It is particularly important to us as some of the countries we have operated in for many years are regarded as countries of greater risk.

Our most fundamental safeguard against fraud and money laundering is our 'Know Your Customer' (KYC) programme. KYC is the process we use to fully understand customers before we are able to enter a working relationship with them. In 2005 KYC was successfully introduced in our day-to-day business processes, improving customer due diligence and account opening procedures.

Once a customer joins the Bank, it is important that we can monitor any account activity and transaction patterns that might indicate suspicious activity.



Delivering value through responsible lending

In 2005 we bought an automated anti-money laundering and sanctions screening system from one of the leading vendors in the field – Norkom Technologies – to build on our previous monitoring processes. The system will go into operation in 2006 and will significantly improve our ability to detect potentially suspicious transactions.

During the year, a new 'Speaking Up Programme' was also introduced allowing employees to raise concerns, such as fraud allegations, securely and confidentially. The programme provides staff with a variety of ways to report concerns, including through an independent third party. In 2005 21 messages were received through the Speaking Up channel.

In 2006 we will introduce enhanced e-learning programmes on the prevention of money laundering and terrorist financing. We will also be creating a specially trained team to operate our new transaction monitoring system.

Microfinance

In 2005 we agreed a formal strategy for microfinance that combines policy, procedure and underwriting standards to govern our relationships with microfinance institutions, including a programme of financial literacy and training. \$24 million of loans were provided to a range of microfinance institutions in 2005. This support is expected to grow to \$50 million by the end of 2006 and to \$100 million by the end of 2007. We estimate more than 250,000 people in Africa and Asia have benefited from this funding.

Outserve

Standard Chartered wants to be known for excellent service and for treating customers according to its values.

At the core of the Group's promise to be The Right Partner to our customers is Outserve – a set of initiatives started in 2004 to make Standard Chartered renowned for customer service. We want Outserve to set us apart and help us build customer loyalty, increase revenue and create value.

Outserve has four components: listening to the Voice of the Customer, process improvements, metrics and measurements, and change management and communication.

The Group has made good progress against the four commitments made on Outserve for 2005.

Implementation of the Outserve model, which covered 10 countries in 2004, was expanded to the global network in 2005. Both Consumer Banking and Wholesale Banking now apply service metrics globally. These are reviewed at the highest level in each business.

There were improvements in performance across the Group thanks to the fact we gathered better data from Voice of Customer surveys, improved the way we capture customer opinions and complaints, and began using a standard system to measure customer service.

Training employees plays a key role in good service. In 2005, employees completed 250,000 e-learning courses, a 260 per cent



increase on 2004. 250,000 customer service ideas were posted online by employees during a global Innovation Week.

Among the benefits customers are seeing as a result of Outserve are later cut-off times for delivery of cash, faster delivery of new credit cards and more informative and timely statements.

There are 50 full-time Outserve champions across the Group's markets and businesses, reporting directly to the country chief executive or business head.

In 2005 we analysed both our Consumer and Wholesale Banking divisions to identify what constitutes the best customer service. We are using this work to recruit, develop, train and reward employees in key roles to improve the experience of the customer further.

Support functions such as Risk Management and Human Resources were also included in the Outserve initiative in 2005 for the first time. Our aim is to make sure that other key stakeholders – such as regulators, shareholders and employees – are treated as well as our customers.



Building trust across our markets and a reputation for excellent customer service

What we set out to achieve in 2005	Status	What we have done	Going forward
<ul style="list-style-type: none"> Embed our approach to sustainable lending further into the business 	 Continuing	<ul style="list-style-type: none"> A range of discussions were held with key stakeholders that will help formulate our strategy and approach in 2006 	<ul style="list-style-type: none"> Complete a full review of the Bank's approach to the assessment of social and environmental risks
<ul style="list-style-type: none"> Support our staff to make confident assessments of social or environmental risks 	 Completed and continuing in 2006	<ul style="list-style-type: none"> Sustainable lending training was embedded in the core training programmes for relationship managers, risk officers and Group Corporate Affairs 	<ul style="list-style-type: none"> Continue to roll out sustainable lending training within the core training for Relationship Managers Setting up a centre of expertise at Head Office for ongoing support Upgrade intranet with specific policy and sectoral guidance material
<ul style="list-style-type: none"> Undertake specialist, externally led training on the Equator Principles 	 Completed and continuing in 2006	<ul style="list-style-type: none"> Training was held for key project finance and risk staff Workshops covered a definition of the Equator Principles; our own policies and procedures; how to assess the project grading (A,B,C); risk and opportunities 	<ul style="list-style-type: none"> Extend training to all project finance staff by the end of 2006
<ul style="list-style-type: none"> Further review the reporting requirements coming out of GRI environmental and social sectors for the financial services industry 	 Continuing	<ul style="list-style-type: none"> We made good progress to set up information collection around relevant GRI indicators 	<ul style="list-style-type: none"> Report against GRI Financial Services industry requirements for 2006 Produce a specific report on the implementation of the Equator Principles
<ul style="list-style-type: none"> Ensure we have a global measurement system for service delivery which is consistent in all countries Complete roll out of Outserve across all our operations 	 Complete	<ul style="list-style-type: none"> Outserve rolled out across all remaining countries, implementing formal Voice of Customer programmes, metric tracking, complaint handling systems and processes, building staff engagement and starting to address the behavioural changes required to deliver the goals of the Outserve initiative 	<ul style="list-style-type: none"> Refine measures to ensure they are accurate and consistent Drive management behaviours to ensure that data is actually used to manage the business Ensure all global standards are achieved by improving processes in areas of the customer experience not meeting desired standards
<ul style="list-style-type: none"> Create half-yearly reports to the Board on customer satisfaction and experience for the first time 	 Complete	<ul style="list-style-type: none"> See data table for performance figures 	<ul style="list-style-type: none"> For the Consumer Bank to maintain the Loyal + Positive Index over 80% and to improve our competitive position in every market For the Wholesale Bank to achieve and maintain Service Quality Index over 100% and to close the gap on competitors progressively in terms of core bank status with our clients
<ul style="list-style-type: none"> Use Voice of Customer to engage both our Consumer and Wholesale Banking divisions in a rolling agenda of service improvement projects 	 Continuing	<ul style="list-style-type: none"> Over 200 process improvement initiatives delivered as a result of Voice of Customer, service metrics and client complaints All delivered tangible improvements to our customers, usually by removing major root causes of complaints or by delivering products or services faster or more accurately 	<ul style="list-style-type: none"> To increase the scale and speed of process improvements From Voice of Customer, Complaints and Service Metrics data we now understand the main issues that concern customers. We now have to improve processes to remove these negative experiences Implement and market more service guarantees
<ul style="list-style-type: none"> Introduce new training and career development plan for direct sales representatives (DSRs) 	 Continuing	<ul style="list-style-type: none"> More than 6,000 DSR's in 11 countries have been through the global 'DSR Induction' programme since its launch 	<ul style="list-style-type: none"> Refining performance scorecards and incentives we offer to achieve a better balance between creating the right approach to sales and serving the interests of customers, whilst meeting profit requirements Strengthen training by including appropriate feedback from customer sales experiences, complaints, operational or compliance failures Increasing engagement with regulators on mis-selling issues

People

Highlights

47% increase in International Graduate intake representing 22 nationalities

11% net growth in global headcount

40% of high potential employees had a development move, 16% internationally

74% of poor performing employees in 2004 reached acceptable levels of performance in 2005

22% increase in the Sharesave scheme participation to 44% of all employees globally

more information

For more information on the following issues:

Diversity and inclusion

How we harness diversity through inclusion

Employee engagement

How we create winning teams through engagement

Health and safety

How we provide a healthy and safe place to work

please visit the People section of our website at:

 www.standardchartered.com/corporateresponsibility

With almost 44,000 people representing 89 nationalities in 56 countries and territories, we believe that our diverse employees represent an incomparable advantage in driving our growth. The Bank's growth aspirations, diversity and inclusion ambitions and changing demographics in our markets present opportunities and challenges. We are determined to attract, develop and retain the best and to leverage the strength their diversity provides.

Diversity and Inclusion

Diversity and Inclusion (D&I) lies at the heart of the Bank's values as well as being a distinctive element of our brand. We are an inherently diverse organisation, but there is more we can do to leverage this strength. We have identified an initial focus on gender, nationality and disability, particularly visual impairment. This includes a significant focus on improving the representation of women in senior management, which continues to be a priority for 2006 and beyond. In 2005 the Bank made significant progress on establishing a strong foundation for D&I. The Group Management Committee agreed a Global D&I agenda and the Group D&I Council developed a group-wide approach to the workplace, the community and customers.

We held our second annual D&I forum in January 2006. The theme was 'Living our International Value' with the objective to help 60 talented employees from 35 different countries develop international mindsets – despite not necessarily being internationally



Diversity and Inclusion – leveraging our natural strength

mobile. At a country level, 51 Country D&I Champions from 48 countries have been appointed to raise D&I awareness and develop action plans to address local D&I issues.

Scope International, a wholly-owned subsidiary of the Bank, continued its commitment to supporting people with disabilities by hosting a 3-day workshop for graduates of the 6-month Ability Foundation training programme in 2005. The workshop was attended by 24 graduating students with visual, hearing and orthopaedic impairments. Scope International has since offered jobs to seven of the students in various business roles.

In Sri Lanka, the Bank now offers Braille statements to visually impaired customers to ensure they have access to their financial information. The statement is electronically translated using technology managed by the Sri Lanka Council for the Blind.

By the end of 2006 an awareness-raising D&I programme will be rolled out and D&I will be incorporated into the new management development programme. Helping employees balance their work and

personal commitments remains a challenge in some markets and areas of the business. A framework will be developed in 2006 which will include flexible working, part-time working and sabbaticals. We also want to ensure that our resourcing policies and processes are aligned to the Bank's D&I Principles and Standards and are properly reviewed from a D&I perspective.

Creating winning teams

We aim to create a working environment which makes employees feel involved and engaged with the business. We firmly believe this will ensure greater satisfaction from their work and will foster loyalty and higher productivity. Our research demonstrates that a high level of employee engagement is strongly related to business performance. For example, branches with increased engagement in Hong Kong achieved 16 per cent higher profit margin growth in 2005. The most highly engaged branches had 46 per cent lower employee turnover.

After five years of measuring employee engagement across 56 countries, we continued to achieve a high level of voluntary



Training days
In the last three months of 2005, over 10,000 training days were conducted at SC First Bank, representing a 20% increase in classroom training. SC First Bank was awarded an A rating by the Korean Government in recognition of the quality of e-learning, the first such award to a financial services organisation.

participation in our annual Q12 survey at 96 per cent in 2005. Growth in headcount means an additional 10 per cent of employees participated in the survey in 2005. The number of actively engaged employees has doubled since the survey began in 2001 moving from 22 per cent to 44 per cent of the workforce. The focus in 2006 will not be on increasing participation rates or engagement scores but on how the findings are used to improve team performance. As follow-through of the survey results increased only modestly in 2005, we will focus in 2006 on improving management capability in this area as we believe managers are the key to employee engagement.

What we set out to achieve in 2005	Status	What we have done	Going forward
<ul style="list-style-type: none"> Agree a three-year plan of action for Diversity and Inclusion across the Bank 		<ul style="list-style-type: none"> Developed Diversity and Inclusion success measures for 2008 Improved awareness and education of Diversity and Inclusion globally 	<ul style="list-style-type: none"> Continue awareness and education of Diversity and Inclusion issues across the Bank Develop and implement a flexible working framework Review all resourcing policies and processes from a Diversity and Inclusion perspective
<ul style="list-style-type: none"> Place stronger emphasis on long-term coaching and mentoring of high potential employees 		<ul style="list-style-type: none"> Accelerated the development and career progression of high potential employees Some 90% of the Bank now included in the global talent identification process We selected 90 emerging leaders to receive focussed development to accelerate their inclusion into succession plans for key roles 	<ul style="list-style-type: none"> Continue focus on developing talent already identified across the Bank Improve identification and development of talent at more junior levels Introduction of one-day career workshops for high potential employees across the Bank Implementation of development programme for Graduate Associates 3-5 years into their careers at the Bank Implementation of MBA recruitment scheme to increase the middle management talent pool
<ul style="list-style-type: none"> Continue action-planning and follow-through of employee engagement in teams whilst monitoring the results 		<ul style="list-style-type: none"> Recognised and developed great managers who engage their teams and improve business results 	<ul style="list-style-type: none"> Continue monitoring impact and follow-through of Q12 engagement survey results and how they are used to improve how teams operate Continue action planning by managers using the results of the engagement survey
<ul style="list-style-type: none"> Introduce the Bank's global Health and Safety Management System and associated training and communications to improve the safety culture of the Bank 		<ul style="list-style-type: none"> Global management system implemented and complemented by training of country health and safety coordinators and key stakeholders in each market 	<ul style="list-style-type: none"> Continuing evaluation of health and safety across the Bank Introduction of a new assessment tool to help identify and prioritise risks
<ul style="list-style-type: none"> Develop ways to analyse human capital so we can review and report on the health of the Bank 		<ul style="list-style-type: none"> Developed a Human Capital Scorecard of key measures across business units and countries to provide comparable, standardised and robust data to inform areas of risk and aid business decisions Improved the quality of external reporting with improved information collection and disclosure 	<ul style="list-style-type: none"> Continue to support each business area to embed, interpret and track key metrics produced globally on an annual and quarterly basis

Environment

Highlights

Group Chief Executive participated in Corporate Leaders Group on climate change

\$300 million invested in renewable energy projects, to supply 2,520 MW of power including four new deals closed in 2005

9% increase in paper consumption per employee

15% below target on GEMS coverage due to continued growth of the Bank

GEMS-Lite rolled out to all 500 branches* and 108 smaller offices

*excluding SC First Bank, Korea.

more information

For more information on the following issues:

Environmental policy

Our commitment to minimising the environmental effects of our operations

Global Environmental Management System (GEMS)

How we manage the direct impacts of our daily operations through Environmental Management Systems

please visit the Environment section of our website at:

 www.standardchartered.com/corporateresponsibility

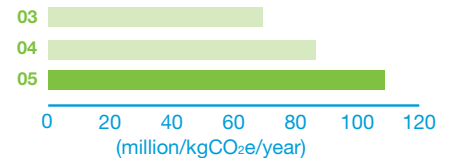
55 per cent of the Group is now using a Global Environmental Management System (GEMS) to manage direct environmental impacts including consumption of energy and paper, water use and waste.

The objectives of GEMS are to:

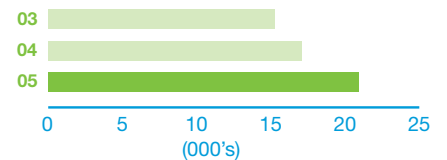
- Ensure our environmental policy commitments and international environmental standards are adopted at our principal office locations worldwide.
- Provide a framework for setting and reviewing environmental targets that are consistent with environmental, cultural, political and regulatory circumstances.
- Ensure that environmental legal requirements are identified, reviewed and complied with.
- Deliver accurate, consistent and representative environmental performance information for reporting purposes.

Each office participating in GEMS is required to report monitoring data and compliance status each year. This includes information on legal compliance, the implementation of GEMS, progress in meeting local targets and key performance data.

Total Greenhouse Gas Emissions



Full time equivalent employees covered by GEMS



Responding to the challenge of a changing climate



Our target remains to cover 70 per cent of people in the Group with GEMS. This percentage will enable us to capture the vast majority of our direct environmental impacts. Coverage in 2005 increased from 27 to 34 offices. We are confident now that we have a good baseline of environmental data which will enable us to confidently set and measure progress against targets that we set ourselves.

In 2005 we also turned our attention to our indirect impact on the environment. Access to water, poor water quality, floods, drought and climate change are issues that many countries have to deal with. But some countries, including a significant proportion of our markets in Africa and Asia, are experiencing the greatest environmental impacts, and are least able to respond.

We began a review of environmental initiatives to determine which will create the biggest benefits for the environment, customers, staff and the Bank. The review, led by Gareth Bullock, Director and Group Head of Strategy, is looking at such issues as renewable energy; improving the environmental outcomes of lending decisions; access to water in Africa;

and climate change. The review will lead to the launch of an enhanced environment strategy in 2006.

Energy and climate change

As the world seeks solutions to climate change, we are clear we can contribute to the debate, for instance by helping the growth of renewable energy and by providing new ideas on carbon reduction and the management of pollution through means such as emissions trading schemes.

In 2005 Group Chief Executive, Mervyn Davies participated in the UK Corporate Leaders Group on Climate Change. This group of business leaders was formed to make practical recommendations on how the private sector can respond to climate change, on low carbon technology and innovation, and on how consumers can be engaged to help address climate issues. The group reported on the need for a policy framework that will give business the confidence to invest in technologies to tackle climate change. The group continues to participate in a range of other climate-related initiatives.



Renewable energy
In 2005 we funded five renewable energy projects with an output of 2520 MW.

Standard Chartered responded to the third successive Carbon Disclosure Project questionnaire, distributed to the 500 largest companies in the world. The survey outlines the key reasons why investment is crucial in addressing climate change and draws upon all responses to highlight important trends, risks and investment opportunities.

One of the most significant direct impacts of our business is emissions from travel. These increased significantly during the year, in part due to increased travel to Korea as we integrated SC First Bank into the Group.

What we set out to achieve in 2005	Status	What we have done	Going forward
<ul style="list-style-type: none"> Continue to roll-out and support GEMS implementation to achieve 70% coverage of our operations by employee number 	<p>Continuing</p>	<ul style="list-style-type: none"> GEMS coverage has increased from 27 offices in 2004 to 34 in 2005, representing a further coverage of 3,851 employees 	<ul style="list-style-type: none"> Expand GEMS coverage to 40 offices including Korean and Philippine major offices
<ul style="list-style-type: none"> Create and apply a transition plan that will ensure environmental management becomes 'business as usual' 	<p>Complete</p>	<ul style="list-style-type: none"> Management of GEMS is now embedded into the corporate real estate function A communications plan has been drafted, which will be finalised in 2006 	<ul style="list-style-type: none"> Deliver an environmental strategy with a focus on indirect impacts such as carbon management, energy and water
<ul style="list-style-type: none"> Revise and update GEMS in line with new financial sector reporting guidelines arising from Global Reporting Initiative 	<p>Complete</p>	<ul style="list-style-type: none"> A review of the GEMS reporting framework has been completed Updates have been made as necessary 	<ul style="list-style-type: none"> Report updated information collected in 2006
<ul style="list-style-type: none"> Investigate further ways of mitigating and reducing our most significant direct environmental impacts 	<p>Continuing</p>	<ul style="list-style-type: none"> An action plan is now in place to manage key impacts on paper, energy and waste One example initiative is the donation of all redundant IT equipment for reuse by our charity partner, Digital Partnership 	<ul style="list-style-type: none"> All offices covered by GEMS to implement energy management plan Achieve a 20% reduction in paper use across the Bank Travel and transport has been identified as a key issue that needs to be addressed Deliver a focused internal awareness campaign on environment
<ul style="list-style-type: none"> Set targets for reduction of Greenhouse Gas emissions for countries where GEMS is well embedded 	<p>Continuing</p>	<ul style="list-style-type: none"> A number of local targets have been set 	<ul style="list-style-type: none"> Report on achievements against country targets Set a global target for reduction in greenhouse gas emissions

Communities

Highlights

\$22.4 million

or 0.86% of 2005 pre-tax profit invested in the community

\$3.8 million

raised for Seeing is Believing, reaching our target one year early

33,000 employees reached through HIV e-learning

\$450,000 was raised by staff for tsunami relief. The Bank also donated \$5 million

\$1 million was donated to the Pakistan earthquake relief

more information

For more information on the following issues:

Seeing is Believing and Living with HIV

Our programme to help alleviate the issue of blindness and our campaign to educate our workforce about living with HIV/AIDS

Community partnerships for Africa

About the investment the Bank has made to support Africa's development

Donation policy

The criteria we use to determine which community projects we will support

please visit the Community section of our website at:

 www.standardchartered.com/corporateresponsibility

In 2005 Standard Chartered invested over \$22 million in the communities in which we operate. We have concentrated on investing in initiatives that link closely with our core business and on formalising our approach to employee involvement so that the Bank, its staff and the communities we work in reap more benefits from the investment we make.

Our two global programmes, Living with HIV and Seeing is Believing, have continued throughout 2005. Both have been reviewed, as has our general approach to community investment. As a result we will be putting more emphasis on Living with HIV in 2006 by staging 'A Year of Living with HIV'. We will also be piloting a new global community programme in 2006, called 'Empowering Women' – a programme designed to help women develop their confidence and skills so they can make a greater contribution to the local economies and societies where they live. We will also launch a regional programme in Africa, 'Nets for Life' – aimed at providing one million long-lasting treated malaria nets.

Seeing is Believing

On World Sight Day in 2004 we joined with Sight Savers International and Vision 2020 – the international organisation working to eliminate avoidable blindness – to set a target to raise \$6 million over three years to restore one million eyesights. By the end of 2005 an estimated 234,000 sight restorations had been completed. During 2005 alone, \$2.8 million was raised by employees of the Bank for this project. We also centrally donated \$1 million to the campaign in 2005. Funds were used for cataract operations, to train eye doctors and to build training facilities and vision centres. Seeing is Believing has helped boost staff engagement in our community programme, with 90 per cent saying that they feel very proud or proud about the campaign. More than 75 per cent are aware of the campaign's objectives and 60 per cent think the Bank is doing enough. However, 26 per cent think we should do more. We have big ambitions for Seeing is Believing and in 2006 will be developing the next phase of the campaign.



Living with HIV

The total cost of HIV/AIDS to the business has not been thoroughly assessed, but we do have figures for some countries. The cost in Kenya attributable to the disease in 2005 was 0.5 per cent of total costs; in Zambia, 1 per cent.

Providing testing and treatment helps maintain a healthy and stable workforce, but we also need to break down the stigma attached to the disease, through education, so that more people come forward to claim this benefit. In 2005 we launched an HIV/AIDS e-learning module and 75 per cent of staff completed it.

Business skills can help in the fight against HIV/AIDS. In May 2005, Bernard Mendy, Head of Wholesale Banking in The Gambia, was appointed the new Chair of the Global Fund to Fight AIDS, Tuberculosis and Malaria and used his financial skills to lift the use of grant funding from 20 to 65 per cent. We want to replicate this success elsewhere.

We work with key stakeholders to help them roll out their own HIV/AIDS programmes.

Last year we worked with the Governor of Nonthaburi Province, Thailand, the Singapore Ministry of Health, and the Gurkhas in Nepal.

Employee involvement

We developed a new employee volunteering programme during the year to ensure our volunteering activities are better coordinated and are supported by data that can be audited. We also want to make sure our community programmes are more visible. The programme will be rolled out in 2006 and we hope it will help us attract talented people, develop entrepreneurial and leadership skills, enhance community relations and improve our brand image and the reputation of the Bank.

As part of the programme every employee in the Bank will be entitled to two days paid leave each year to volunteer in the community. We will also test a scheme through which selected employees will also be able to work abroad for five days with an NGO. Medium and long-term opportunities for professional development through



HIV Champions in action
Training certificate presented to an undergraduate from AIESEC, the world's largest student training programme. The new HIV Champions will cascade our Living with HIV programme to their peers.



Hong Kong AIDS Foundation Community Day event
Standard Chartered HIV Champions were represented at the Community day.

community projects will be piloted in 2007. We will track the number of employees seeking to volunteer and record the impact this has on employee engagement and performance.

What we set out to achieve in 2005	Status	What we have done	Going forward
<ul style="list-style-type: none"> • Refocus community activity to be more formally linked with the Group's Strategic Intent 	Complete	<ul style="list-style-type: none"> • We reviewed existing and future community investment commitments to test if we were getting best value from them • Developed a more formal Group-wide approach to community investment and reviewed the ways employees get involved in community initiatives 	<ul style="list-style-type: none"> • From 2006 an annual budget for Group-wide community investment will be set by the Bank each year based on the previous year's pre-tax profit and reflecting the year's trading outlook • Within this budget, Group and country allocations will be made that reflect agreed community projects at different levels
<ul style="list-style-type: none"> • Create a formal process to centrally review all the community donations 	Complete	<ul style="list-style-type: none"> • Governance process put in place that ensures quarterly reporting from countries 	<ul style="list-style-type: none"> • Develop community investment reporting guidelines
<ul style="list-style-type: none"> • Ensure we capture comprehensive data on our community programmes and refine the way we measure the impact of our community programmes 	To commence in 2006	<ul style="list-style-type: none"> • Some progress was made this year as we introduced a more structured approach to measuring community spend and employee time • We have looked at different methods being used to measure community value, some of which have been piloted in 2004 and 2005 • We have also started to collect better information on the internal and external value achieved by Seeing is Believing 	<ul style="list-style-type: none"> • Measuring the value to the community and the Bank of our investments will be a focus for 2006
<ul style="list-style-type: none"> • Communicate the way we approach community programmes more effectively outside the Bank 	Continuing	<ul style="list-style-type: none"> • The main tools we are using, alongside support of specific events are our speaking platforms, case studies, media and performance reporting • In 2005 the Bank's Living with HIV initiative was featured on the CNBC programme 'The Business of Development'. This platform gave us the opportunity to publicise our leading approach to managing HIV/AIDS 	<ul style="list-style-type: none"> • We will make the most of our strengths as a thought leader on range of issues including HIV/AIDS, employee volunteering, and public and private sector partnerships • To ensure messages get across in all the Bank's markets, we will replicate key messages in different regions and countries through the Bank's network • This will also assist with internal awareness and engagement

Suppliers

Highlights

7 major procurement centres now using Know Your Supplier scheme

98 new and 77 existing major or long-term suppliers assessed for social and environmental impacts

more information

For more information on the following issues:

Suppliers

Our approach to supply chain management and procurement policy

Know Your Supplier

Our global programme for supply chain management

please visit the Supplier section of our website at:

 www.standardchartered.com/corporateresponsibility

In 2005 Standard Chartered spent \$1.2 billion on goods and services from some 24,000 suppliers in over 50 countries. We recognise that our procurement can lead to significant social or environmental impacts.

Know Your Supplier

We introduced the 'Know Your Supplier' (KYS) scheme in 2004 with a plan to roll it out to each of our seven major procurement centres by the end of 2005. The scheme obliges all new strategic suppliers (those suppliers providing critical products and services on a continual basis) to complete a corporate responsibility questionnaire and existing suppliers to update a corporate responsibility questionnaire when their contract is renewed. As part of ongoing restructuring and rationalisation, outsourced procurement is being brought in-house during 2006 and this will be the major focus for Procurement and Vendor Management (PVM) in the year ahead. This will increase both our understanding and the level of control we have of our supply chain.

We focus our evaluation on suppliers that are of the greatest potential risk to us, to the environment and to the communities they operate in. The relative scale of social and environmental impact of the supplier is taken into account in the assessment and final selection process.

Our challenge is to get a greater understanding of the issues facing particular sectors and embed these into the selection process. There are natural synergies between the way we assess our suppliers and in how we judge the likely social or environmental impacts of our lending decisions. We need to make more of the links between these two types of assessments.

Risk identification

When we assess suppliers they are categorised in one of two ways. If the supplier's product or services involve two or more of the risk elements identified below, then they are deemed to be 'high risk' in terms of social or environmental issues. If they only exhibit one or less then they are deemed 'low risk'.

Natural resources

The imprudent use of natural resources

Chemicals

Whether significant amounts of chemicals are consumed or generated during the production process which give rise to potential environmental concerns

Energy consumption

The scale of energy usage in any production process

Waste generation

The prevalence of chemical or hazardous waste or other by-products

Work force




Unfair treatment of workers

Supply chain

Existence of third parties in the supply chain with the potential to increase social/environmental risk

Imported goods

Products manufactured in low cost countries where the cost advantage might be greatest and the economic contribution most valued but where social or environmental risks may be higher

What we set out to achieve in 2005	Status	What we have done	Going forward
<ul style="list-style-type: none"> Test the Know Your Supplier (KYS) approach in the UK, Singapore and Hong Kong 	 Complete	<ul style="list-style-type: none"> The roll out of KYS was completed to the UK, Hong Kong and Singapore and the approach was fine-tuned to incorporate lessons learned ahead of global roll-out 	<ul style="list-style-type: none"> We aim to understand more about the environmental implications of our procurement, especially relating to paper purchasing
<ul style="list-style-type: none"> Complete the roll-out of KYS to all major procurement centres 	 Complete	<ul style="list-style-type: none"> KYS process embedded into the standard supplier engagement process and documentation for Procurement and Vendor Management globally 	<ul style="list-style-type: none"> Work more closely with Group Risk to understand the underlying sectoral issues
<ul style="list-style-type: none"> Encourage greater use of environmental products in our offices and branches 	 Continuing	<ul style="list-style-type: none"> Various country initiatives have been implemented This effort will continue across the Group in 2006 	<ul style="list-style-type: none"> Increase amounts of paper sourced from sustainable and recycled sources or, where virgin pulp is concerned, from sustainably managed forests

More information

The links below provide further information on some of the programmes, institutions and organisations that Standard Chartered has been working with over the past year

Customers

For more information on customers see:

www.standardchartered.com/corporateresponsibility

UNEP FI and GRI Financial Sector Task Force

Including commitments made by Standard Chartered and other Banks on reporting see:

www.unepfi.org/work_programme/smr

Equator Principles

Social and environmental principles applying to projects over \$10m see:

www.equator-principles.com

International Finance Corporation (IFC) social and environmental standards see:

www.ifc.org/enviro

Treating Customers Fairly

The standards expected by the Financial Services Association's to embed fair treatment of customers within financial institutions

www.fsa.gov.uk/Pages/Doing/Regulated/#9tcf

People

For more information on our People see:

www.standardchartered.com/corporateresponsibility

www.careers.standardchartered.com

International Labour Organisation

Standard Chartered fully supports the fundamental ILO conventions. To find our more about the conventions see:

www.ilo.org/ilolex/english/convdsp2

Communities

For more information on communities see:

www.standardchartered.com/corporateresponsibility

Seeing is Believing

For case study examples of the Bank's work on eliminating avoidable blindness see pages 22 & 23 of the Annual Review

Sightsavers International

Sight Savers works to combat blindness in developing countries, restoring sight through specialist treatment and eye care

www.sightsavers.org

Vision 2020 'Right to Sight'

The Global Initiative to eliminate unnecessary blindness by the year 2020 launched by the World Health Organisation and the International Agency for the Prevention of Blindness (IAPB) with more than 20 international non-governmental organisations

www.v2020.org/main_page.asp

International Agency for the Prevention of Blindness

The coordinating, umbrella organization leading the international effort in mobilizing resources for blindness prevention activities

www.iapb.org

Living with HIV

Standard Chartered is a founding and active member of the Global Business Coalition on HIV/AIDS (GBC). The GBC is the pre-eminent business organisation leading the business fight against HIV/AIDS

www.businessfightsaids.org

Business Action for Africa

The international network of businesses and business organisations from Africa and elsewhere whose aims are to put in place policies to encourage growth, reduce poverty and spread good business practice

www.businessactionforafrica.org

Global Health Initiative

The Bank is involved in the Global Health Initiative of the World Economic Forum supporting the fight against HIV/AIDS

www.weforum.org/site/homepublic.nsf/Content/Global+Health+Initiative

A full list of awards won for our work on community investment, HIV/AIDS, and Consumer Banking see Page 56 of our Annual Review

Environment

For more information on environment and regional environmental performance data see:

www.standardchartered.com/corporateresponsibility

Corporate Leaders Group on Climate Change

The commitments made by Standard Chartered and 11 other corporate leaders to support UK leadership of the response to climate change see:

www.cpi.cam.ac.uk/bep/downloads/CLG_pressrelease_letter.pdf

Carbon Disclosure Project

A secretariat for investor collaboration on the business implications of climate change, see: www.cdproject.net

You can read our response at:

www.standardchartered.com/corporateresponsibility/downloadcentre

UNEP FI's Climate Change Working Group (CCWG)

Seeks to raise awareness and communicate the problem of climate change to financial institutions, policymakers and public

www.unepfi.org/work_programme/climate_change/working_group/index

Our achievements across the Bank

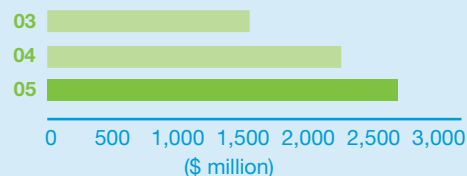
Group

Measure	2003	2004	2005
Income	\$4,740m	\$5,382m	\$6,861m
Operating profit before taxation	\$1,550m	\$2,251m	\$2,681m
Total assets	\$120bn	\$147bn	\$215bn
Return on equity	15.70%	18.60%	18.00%
Dividend per share	52.0 cents	57.5 cents	64.0 cents
Normalised earnings per share	90.1 cents	124.6 cents	153.7 cents
Salaries paid	\$1,332m	\$1,559m	\$2,145m
Taxes paid	\$514m	\$573m	\$611m
Income by region:			
Asia	\$3,223m	\$3,467m*	\$4,953m
Africa	\$443m	\$584m*	\$551m
Americas and the United Kingdom	\$525m	\$575m*	\$549m
Middle East and Other Asia Pacific	\$549m	\$648m*	\$808m

Notes

* Income for 2004 has been restated under IFRS, excluding IAS 32 and IAS 39.

Operating profit before taxation



Customers

Measure	2003	2004	2005
Customers – General			
Wholesale Banking Service Quality Index	92	99	93¹
Customer loyalty index (independent Market Probe survey)	66%	74%	80%
Customer Service			
Numbers of complaints per 1000 customers			3.5 per month WB² 4 per month CB
Complaints resolution			Target 80% <2days³
Complaint type			
Customer communication			WB: 7% CB: 24%⁴
Staff service quality			WB: 5% CB: 12%
Operations process and procedures			WB: 76% CB: 23%
Sales and marketing			WB: n/a CB: 6%
Pricing			WB: n/a CB: 7%
System/channel design and functionalities			WB: 10% CB: 12%
Others			WB: 2% CB: 16%
Social and environmental risks in lending			
Number of people trained on sustainable lending		400	2,995
Graduates trained on sustainable lending		140	200
Equator Principles			
Number of people trained on the Equator Principles			65
Number of category A transactions approved			5
Number of category B transactions approved			10
Number of category C transactions approved			3
Microfinance			
Loans extended to microfinance institutions			\$24m

Notes

Outserve has been implemented across all Wholesale Bank (WB) branches. The nature of implementation clearly differs between major centres and minor centres. Voice of Customer coverage for instance is much stronger across our core 10-12 geographies, which captures the majority of our business.

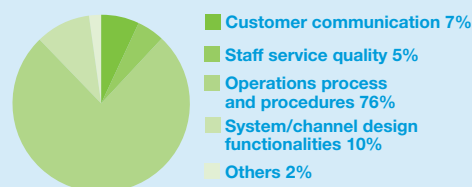
1 The WB Service Quality Index is a relative measure. We compare ourselves to the best in each market. In 2005, whilst our absolute service scores remained strong, performance dropped relative to another institution who had made strong progress in a number of areas.

2 WB is targeting to increase the number of "captured" complaints in 2006. We recognise the need to change behaviours within the Bank to capture as many complaints as possible, so as to be able to address the root causes of high occurrence issues.

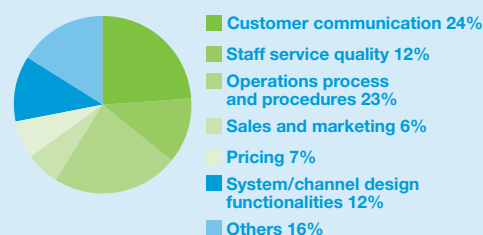
3 This is the target level for complaints resolution.

4 These are the level one complaint types recorded in our client feedback system. Deeper analysis of these show that most complaints currently relate to timeliness and accuracy issues.

Complaint type – Wholesale Bank



Complaint type – Consumer Bank



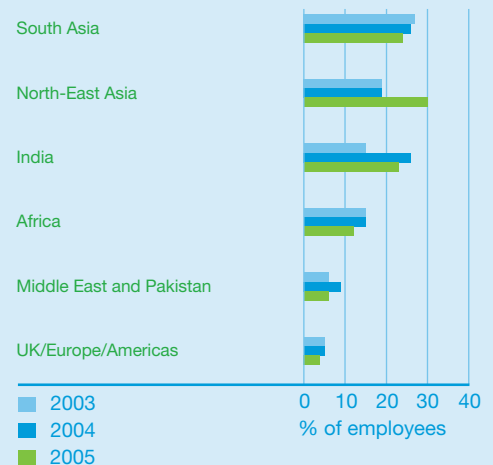
People

Measure	2003	2004	2005
Number of employees			
Global	30,250	33,322	44,206*
Consumer Banking	15,103	16,751	19,271
Wholesale Banking	5,192	6,710	7,944
Employee distribution by region			
South Asia	27%	26%	24%*
North-East Asia	19%	19%	30%*
India	15%	26%	23%*
Africa	15%	15%	12%*
Middle East and Pakistan	6%	9%	6%*
UK/Europe/Americas	5%	5%	4%*
Growth rates			
Employee growth rate – growth in headcount, adjusted for joiners and leavers	6%	9%	14%
High potential employee growth rate	–	6%	9%
Diversity and Inclusion			
% female representation globally	48%	47%	48%
% female – senior management	17%	15%	15%
Number of nationalities represented	87	80	89
Employee engagement			
% participation in Q12	95%	97%	96%
Engagement score (/5)	3.83	3.92	3.96
Performance management			
% employees appraised	90%	97%	98%
% employees received feedback they feel will help their performance in the following year	NA	83%	88%
Years of service			
0<5 years	55%	62%	65%
5<15 years	31%	30%	23%
>15 years	13%	8%	12%
Age of employees			
20<30 years	39%	41%	42%
30<40 years	41%	39%	38%
40<50 years	17%	16%	16%
>50 years	3%	4%	4%
Shares			
Number of employees receiving discretionary share awards	1,787	2,524	3,100
% participation in Sharesave scheme	15%	36%	44%
Learning and development			
Total learners	45,799	98,917	124,979
Learning days	63,291	83,661	126,168
% employees receiving training	63%	89%	80%
Average training days per employee	2 days	2 days	2.4 days

Employee satisfaction



Geographical regions



Notes

* includes SC First Bank, Korea.

Environment

Measure	Units	2003	2004	2005
GEMS Coverage				
Number of offices reporting		27	27	34
Net internal area of reporting offices covered	m2	206,904	241,093	300,602
Full time equivalent (FTE) employees covered	FTE	15,262	17,095	20,946
Energy Consumption & GHG Emissions				
Total Energy Consumption	kWh/year	82,123,696	89,607,453	108,790,669
Total Energy Consumption/ m2	kWh/m2/year	397	372	362
GHG emissions associated with building management (energy + refrigerants)	kgCO ₂ e/year	53,378,426	Data not available	69,530,685
GHG emissions associated with transport (travel and freight)	kgCO ₂ e/year	16,203,161	Data not available	36,274,719
Scope 1 Emissions (electricity generated onsite)	kgCO ₂ e/year	Data not available	0	3,430,280
Scope 2 Emissions (imported electricity)	kgCO ₂ e/year	Data not available	59,894,268	67,986,572
Scope 3 Emissions (refrigerant gases, travel & freight)	kgCO ₂ e/year	Data not available	26,614,823	37,473,182
Total GHG emissions	kgCO ₂ e/year	69,568,842	86,509,091	108,890,035
Total GHG emissions/FTE	kgCO ₂ e/FTE/year	4,558	5,060	5,199
Ozone Depleting Substances				
Total ODS emissions/FTE	gCFC11/FTE/year	3	4	6
Paper Consumption				
Total paper consumption	kg/year	1,062,875	1,208,116	1,651,137
Total paper consumption/FTE	kg/FTE/year	70	71	79
Proportion of paper consumption with recycled content	%	17	Data not available	Data not available
Proportion of paper consumption meeting environmental specification	%	Data not available	1	22
Waste				
Total solid waste	kg/year	2,597,608	2,015,857	1,913,121
Total solid waste/FTE	kg/FTE/year	170	118	91
Percentage solid waste reused or recycled	%	38	39	50
Water				
Total water consumption	m3/year	368,240	391,760	518,508
Total water consumption/FTE	m3/FTE/year	24	23	25
Legal Compliance				
Reported prosecutions		None	None	None

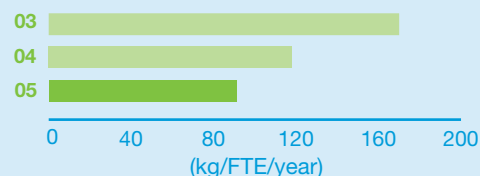
Notes

Although aggregate figures for each key performance indicator have increased in-line with increased GEMS coverage, data per person or per unit of floor area has remained relatively constant, with relatively minor trends upwards and downwards. The lack of peaks and troughs in the summary data gives us confidence that our data quality improvement processes are working. We are able to identify where data quality falls short of expected requirements and have implemented improvement plans in each location to facilitate this.

Waste

GEMS implementation has resulted in a better understanding of sources and types of waste generated by the Bank, supporting improved resource management. Over the last three reports we have seen a reduction in the total amount of waste reported, despite an increase in the number of offices reporting waste. Whilst some offices are able to demonstrate a clear increase in the proportion of waste recycled during this time, data quality from some regions requires further improvement.

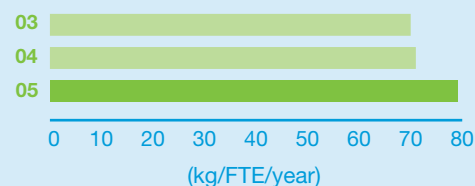
Total solid waste per employee



Paper Consumption

Over the last three reporting years total paper consumption has increased by 55 per cent in line with the increased coverage of GEMS. In 2005, the range of paper types we report was expanded from A3 and A4, to include other paper used by the Bank in back office operations. This explains the slight increase in paper use per person from 71kg to 79kg; however we anticipate that there is further scope to expand the range of paper uses reported in subsequent years.

Total paper consumption per employee



Greenhouse Gas Emissions

Over the last three reporting years total reported greenhouse gas emissions have increased from 69,568,091 kgCO₂e in 2003, to 86,509,091 in 2004 and 108,890,035 in 2005. This increase is due to increased GEMS coverage and expansion of the Bank's global activities, including the purchase and integration of Korea First Bank (SC First Bank).

Community

Measure	2003	2004	2005
Cash contributions	\$8.5m	\$12.3m ²	\$12.7m³
Employee time	\$7.7m ¹	\$4.6m	\$6.3m
Gifts in kind	\$0.09m	\$0m	\$0.05m⁴
Management costs	\$0.7m	\$1.9m	\$3.4m
Total	\$17.0m	\$18.8m	\$22.4m
Pre tax operating profit	\$1,542m	\$2,158m	\$2,681m
% same year's operating profit	1.10%	0.87%	0.86%
% based on previous year's operating profit (PYOP)	1.35%	1.22%	1.04%
% of PYOP after removal of exceptional items 1 and 2	0.99%	0.90%	–

Notes

Two separate events (1 and 2) distorted the overall investment levels during 2003 and 2004.

1 In 2003 the assumption was made that each employee contributed two days of volunteer time for activities associated with the Group's 150th year anniversary. This level returned to an estimate of one day per employee in 2004 and 2005.

2 In 2004 a one-off donation of US\$5 million was contributed to the Tsunami relief fund.

3 2005 cash contribution contains marathon sponsorships totalling US\$3.46 million. Marathon sponsorships were not included in numbers reported in 2003 and 2004.

4 During 2005, 1,687 processing units, 150 laptops and 154 monitors were donated by UK, USA, India, Sri Lanka, Bahrain, UAE and Ghana.

Suppliers

Measure	2003	2004	2005
Number of suppliers	–	24,053	24,000
Total spent on procurement	–	\$1.1bn	\$1.2bn
Number of suppliers assessed	–	64	98 new and 77 existing



The year ahead

We have an ambitious work programme in 2006 as our corporate responsibility programmes continue to grow into sustainable business practices and as we work towards publishing a Group sustainable business strategy.

This strategy will guide our programme of work for the next three years and provide a reference point for measuring and reporting success. Specific stakeholder engagement is planned around the development of this strategy. Your involvement and feedback in 2006 will be particularly important in helping us create a successful strategy.

The way we report is also changing as we work to provide more relevant, detailed information on performance against issues raised by you. A number of reports will be published during 2006 on sustainable lending (including how we are applying the Equator Principles into project finance); the environment and climate change; and diversity and inclusion.

Our aim is to provide a range of reporting channels that will actively engage and inform internal and external audiences. We would welcome your feedback on our approach to reporting, including what is covered in this review.

Annemarie Durbin
Group Head, Corporate Affairs



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Continuing achievement

What you will see from us in 2006

January	Enhanced corporate responsibility content within Annual Report
April	Socially Responsible Investment Forum
July	Publish report on sustainable lending Publish corporate responsibility review
October	Consultation on draft sustainable business strategy Publish report on environment and climate change Internal campaign on environment and climate change Publish sustainable business strategy
December	Publish report on diversity and inclusion

Some of our 2005 Awards



Asian CSR Award – Poverty Alleviation, Hong Kong



Botswana Business Coalition – Most Innovative Workplace AIDS Programme

Hong Kong Institute Governance Disclosure

Hong Kong Total Caring Award



UNICEF (Malaysia Chapter) Advance Humanity Corporate Award – for Living with HIV, Malaysia

PWC Most Respected Company in East Africa

UAE Awarded Gold at the Gulf Marketing Award 2005 for Corporate Social Responsibility for Seeing is Believing



Singapore was presented the 'Best CSR' 2005 Award in the Annual British Business Awards.

UNAIDS and National Commission for HIV/AIDS Prevention Award for HIV/AIDS Awareness in the Workplace



Bali Provincial Commission for HIV/AIDS Prevention Recognition for HIV/AIDS Campaign in Bali in 2005

International Business Links (resource Centre for Corporate Citizenship) Award for CSR programmes