



Annual Report 2004

Corporate Social Responsibility

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Printed on ecological paper

Barclays world-wide

Barclays PLC is the 10th ranked bank world-wide in market capitalisation and one of the main financial services groups in the United Kingdom. It is a leading supplier of services to multinational companies and institutions, and has more than 20 million customers around the world. Barclays has been operating for more than 300 years.

The Barclays Group is one of the principal financial institutions in the world, has over 80,000 employees and more than 3,500 offices in over 60 countries.

10th
bank world-wide in market capitalisation

The Group is organised in five major business areas: Personal Banking, Corporate Banking, Fund Management (Barclays Global Investors), Investment Banking (Barclays Capital) and Credit Cards (Barclaycard).



"The results for the Group show positive levels of growth and validate the strategy applied "

DAVID ROBERTS, *Head of the International Retail & Commercial Banking Division of the Barclays Group*

Content

5 Introduction
6 Corporate Social Responsibility in Barclays
11 CSR Governance Structure
12 Barclays in the Marketplace
19 Barclays in the Workplace

26 Barclays in the Community
30 Barclays in the Environment
34 Executive Summary
42 Index of Terms
43 Contacts

The Barclays Group offers high-quality financial services in Spain to those customer segments in which we specialise: Premier, Personal, Large Corporations and SMEs. We offer each customer a proposal for differentiated value in line with their financial circumstances, as well as professional consultancy and personalised attention.

Barclays has had a presence in the Spanish market for the last 30 years, ranking 6th in private banking groups and 5th in number of offices, with more than 500,000 customers and a commercial network comprising over 500 offices.

Commercial strategy for Barclays Spain: multi-specialist business

The keys to the multi-specialist model are as follows:

- Clients are provided with a differentiated value proposal, and have access to the best products and services based on the value that we can contribute.
- Empowerment of complementary service channels: Internet, telephone banking and remote consultancy, with a view to ensuring that customers' relationships with Barclays are equally satisfying, regardless of the channel that is chosen.
- Major on-going investment in technology in order to make intelligent use of such resources, thereby permitting us to have appropriate tools with which to optimise and manage processes in an efficient manner, obtaining better results.
- Leadership position in our key business areas, employing a selective approach that helps us to continue growing in accordance with our strategy.

6th
ranked private Spanish banking group

Our Mission

To become the best commercial bank in Spain, recognised for customer service, for the development and remuneration of our employees, for our contribution to society and for our ability to create value for our shareholders.

Our Values

These are the values that represent our Brand. On page 17 we offer a definition for each of them.

- Advisory services
- Personalised treatment and attention
- Familiarity
- Innovation
- Transparency
- Accessibility
- Solidity
- Leadership



Of all my responsibilities as Managing Director, I get special satisfaction from observing how Corporate Social Responsibility has taken on greater and greater importance within the organisation, and how it has attained sufficient entity so as to be able to publish our first Annual Report on Corporate Social Responsibility.

In today's world, Social Responsibility represents a strategic value for Barclays Spain, a value that has emerged as part of our corporate philosophy, not as an image play or public relations strategy. As a result, we have concentrated our efforts on the internal communication of all actions taken in this area, and have restricted our external messages.

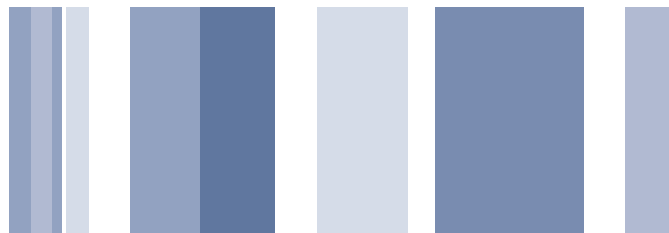
As is the case in all our challenges, Barclays Spain is highly demanding with its performance in the area of Corporate Social Responsibility. This level of demand is even more intense given the fact that we form part of a Group like Barclays, which is a pioneer world-wide in initiatives of this nature. We have set high quality standards by which to measure our actions and ensure their efficacy, as well as to guarantee that appropriate benefits are received by our employees, customers, shareholders and by society in general. We are a medium sized bank in Spain and, as a result, we do not compete with major domestic entities in respect of the number of initiatives carried out or the volume of proposals. Consequently, the quantity of our actions is not as relevant as the quality, the enthusiasm we put into trying to do the best we can and the positive impact that we are able to achieve.

I have no doubt that our employees have started to internalise this particular Barclays philosophy. I am especially proud of the commitment shared by employees and the entity in undertaking social initiatives focused around voluntary action, in which more than five hundred employees have participated in the last year. When it comes to actions of this kind, the Barclays Group is there where employee concerns lie, with financing, with the donation of working hours ...

I would like to end by reflecting on the relation between our ambitions as a Bank and our Social Responsibility. We have publicly stated **our objective of being the best commercial bank in Spain** for our customers, employees and shareholders. This may sound ambitious; it is. But we cannot leave behind our history of over 30 years in this country. We will at all times be aware of our core values— consultancy, personalised attention, familiarity and quality – because they are the reference set by our responsibility to the market, to our employees, shareholders, customers, suppliers and to the Community at large. You can count on us.

JACOBO GONZÁLEZ-ROBATTO
Managing Director

Corporate Social Responsibility in Barclays



How does Barclays see Corporate Social Responsibility?

The Barclays Group sees Corporate Social Responsibility as an on-going commitment to contribute to the economic, cultural and social development of its environment. Barclays involves its employees, shareholders, customers, suppliers with which it operates, and the Community in which it carries out its activities, in the results of its business activities.

Barclays is convinced that a sustainable model for business growth can be constructed by involving the Community in the results and benefits obtained through the realisation of its statutory activity. The idea, in summary, is to put into practice the concept of social profitability, avoiding business approaches that concentrate strictly on economic yield.

From this general starting point, this document sets out the specific measures, actions and policies in which the Barclays Group has materialised its strategy of contributing to the well-being of the Community where we carry out our activity.

What is our approach?

With the acquisition of Banco Zaragozano, the Barclays Group has multiplied its size, while at the same time expanding customer segments to which it can direct products and services. With this new dimension, Barclays cannot help but have the clear vocation of belonging to the core group of businesses that lead Corporate Social Responsibility policies in Spain.

To achieve this objective, we bring into play two basic factors. In the first place, our concept of Corporate Social Responsibility is decidedly modern and ambitious. In the second place, we have the support and confidence of our parent company, which has a presence in more than sixty countries all over the world and possesses its own experience as one of the leading Groups world-wide in the area of Social Responsibility.

As a result of the above, Barclays is at the forefront of the most advanced practices and of the obligations imposed by prevailing legislation.

involvement

Our philosophy consists of “getting involved” in the Community where we work – employees and their families, shareholders, customers, suppliers, non-profit organisations, special needs groups and the environment – in order to contribute to their well-being and to the sustainability of the economic growth surrounding us. Volunteer actions have a special place within our Corporate Social Responsibility policy, and are gaining more and more devotees each year among our employees, families and friends.



Corporate Responsibility in the Barclays Group: beyond our borders

The Barclays Group has positioned itself as one of the world leaders in the area of Corporate Social Responsibility. As a result, we have an excellent mirror in which to look. Belonging to a Group that is perceived as one of the entities which has done most in respect of such policies raises the bar and requires that we respond with pioneering measures aimed at keeping us consistently at the vanguard in this area.

What benefits do we hope to attain through our Corporate Social Responsibility policy?

At Barclays we are convinced of the importance of results deriving from our Corporate Social Responsibility policy; however, it is not always possible to quantify those results.

Nevertheless, that does not stop us from enumerating the main results sought through our Corporate Social Responsibility policy:

- Increase levels of customer satisfaction on receipt of our financial products and services.
- Motivate our employees.
- Boost returns earned by our shareholders.
- Contribute to making our Community a fairer and more just place for the people who live there, and especially for underprivileged groups and the environment.

- Continue on the path of excellence attained in scrupulous compliance with obligations and responsibilities set out in the prevailing regulatory framework and the more advanced standards for Corporate Governance.

We believe that a solid, coherent Corporate Social Responsibility policy is a necessary factor in achieving sustainability for the economic targets we have set.

contribute

What does it mean for Barclays to be one of the leading financial groups in this area?

The consequences of this premise are very clear for us:

- To position ourselves in the group comprising the 25% best companies in terms of Corporate Social Responsibility and to be perceived as such.
- To be in closer contact with society through the participation of our employees.
- To distinguish ourselves in this area for the quality and impact, rather than the size, of our actions.
- To consolidate ourselves as one of the most prestigious financial groups in Spain as far as human rights, customer satisfaction, employee integrity, defence and sustainability of the environment, efficient human resource management and excellence in relations with suppliers are concerned.

Corporate Social Responsibility in Barclays

Barclays as a catalyst for the Spanish financial system

Since the Barclays Group decided to enter the Spanish market, we have never stopped innovating and contributing to making our financial system more competitive every day.

Since the early 1980s, Barclays led the way in high yield accounts, a trend which is now widespread in our country. Similarly, at the end of the 1990s we were pioneers in other more sophisticated formulas for channelling savings, such as unit linked products. We were also pioneers in associating the remuneration of deposits and the cost of personal mortgages through the concept of a "Remunerated Mortgage".

innovation

Barclays has always based its strategy on innovation, constant improvement and by offering competitive advantages to its customers with regard to the offer presented by our competitors. This attitude has favoured the generalisation of new formulas for financing and for channelling savings, participating in the consolidation of the Spanish banking system as one of the most advanced.

From this point of view, we are proud of having contributed to improving the system and bringing the banking offer into line with the needs of the real people, families and companies that make up our society. We believe that we have played a decidedly important role in the consolidation of a banking system which is modern, extraordinarily competitive and, most of all, more in tune with the real needs of our economy. In this way, over the last thirty years Barclays has contributed to the increasing sophistication of banking products and services, to their generalised presence in the market and to making them more accessible.

Obviously, the globalised perspective from which we focus our business strategy has helped us when it comes to contributing to the modernisation of the system. The fact that we form part of one of the ten largest financial Groups in the world provides us with a richer vision of our environment in the current framework of globalisation, Barclays' presence in Spain has helped to internationalise our markets.





Legal Compliance and Code of Conduct

Barclays Spain, through its legal compliance function, ensures respect for and compliance with the legal and regulatory framework to which its activities and processes must be subject to, minimising the possible risks to the Group's reputation that could derive from practices which are not in accordance with legal norms, regulations specific to the sector, good use and good banking practices and ethical principles deriving from the values defined by our Group.

Each year Barclays Spain publishes its Annual Report on Corporate Governance, which includes, inter alia, items relating to the composition of shareholders and the board of directors, operations with associated companies and intragroup operations, management and risk control systems in place and the degree of compliance with recommendations made in respect of good governance.

Appropriate compliance with regulations and ethical behaviour is an important issue in today's market and is a real necessity in respect of investors, shareholders and customers. Within the Barclays Group, this is a working style that provides prestige and serves as a positive differentiating factor within the financial sector.

Since 1998 the Barclays Group has published and kept in force a Code of Conduct of obligatory compliance for all its professionals. That Code sets out Group values, compliance standards and general rules for operation. There are also Internal Conduct Regulations in the area of stock market operations which, together with the General Code of Conduct for stock markets, establishes the framework within which professionals working for Barclays Spain must operate.

code of conduct

Additionally, within this obligation for compliance with prevailing legislation and regulations, the Barclays Group also maintains risk prevention procedures in force to ensure the integrity of all its customers' operations through policies such as the "Know Your Customer" (KYC) programme or the rigorous and proactive application of regulations aimed at preventing the laundering of money and the financing of terrorism.

Highlights in 2004

- Renewal of ISO 9001:2000 Standard Quality Certification for the “Design and commercialisation of financial products and services through the Office Network”.
- Preparation of the “Report on compliance with Legislation regarding Disabled Persons and comparison with the provisions of the Disability Discrimination Act (DDA)” and actions taken to improve accessibility conditions for the handicapped.
- Receipt of ISO 14001:1996 Standard Certification for our Environmental Management System, for “Organisational Assistance by the central services for the financial activity”.
- Implementation of a uniform Performance Evaluation System for the Group, integrating all employees from Banco Zaragozano into the culture and values of Barclays.
- Incorporation of the figure of a “Defender of Equality and Diversity”.
- Process for adhesion to the Óptima Programme coordinated by the Ministry of Labour and Social Affairs.
- Participation of 510 employees (15% of total staff) in volunteer actions in 2004.
- Financing of 41 projects promoted by employees, 135% more than in the prior year. Additionally, Barclays Spain contributed funds to projects for collaboration with various organisms and institutions.
- Signing of three major agreements for collaboration with the Madrid 2012 Foundation, the Foundation for Victims of Terrorism and SUMMA 112.
- Alignment of the Customer Attention Service to the Ministry of Economy Order 734/2004.

Corporate Social Responsibility Governance Structure



For years now the Barclays Group Spain has three different areas established through which it channels the majority of its Corporate Social Responsibility actions: Social Action, Equality and Diversity, and Quality - Environment.

Each of these areas is headed in Spain by a person responsible for management in cooperation with their counterpart at the Group's parent company in the United Kingdom.

10th best perceived company for social actions

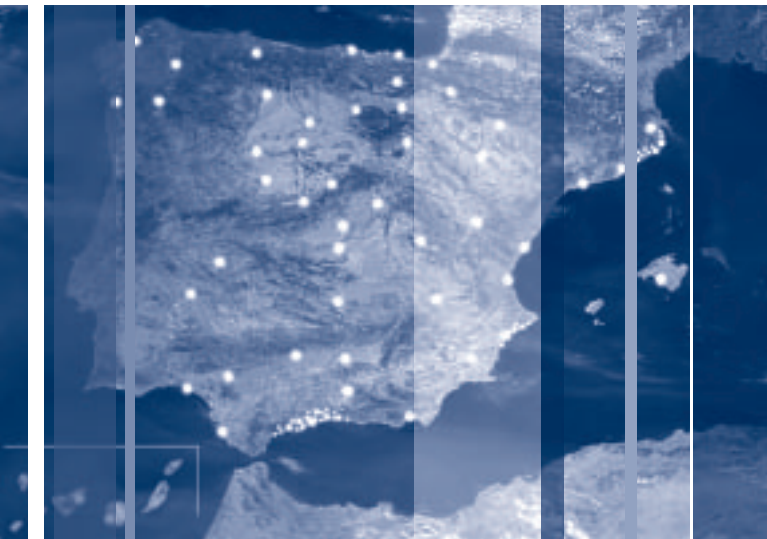
This work was recognised in the 2004 Report prepared by *Fundación Empresa y Sociedad* on the basis of a survey answered by more than 200 experts⁽¹⁾. In that report the Barclays Group Spain was ranked tenth in best perceived for social actions in collaboration with employees.

Furthermore, since 1990 Barclays Spain has had a Quality – Environmental Committee which is made up of Managers from the different Areas and Divisions of the entity with responsibilities in the field of Corporate Social Responsibility and whose function is to promote and coordinate the progress of quality processes, as well as to monitor company performance in terms of customer satisfaction and support provided in benefit of the Community and the environmental system.

Additionally, the Barclays Group in the United Kingdom has an extensive structure dedicated to developing and supervising Corporate Social Responsibility actions. Members of the Group's Steering Committee and Board of Directors are directly involved in that structure.

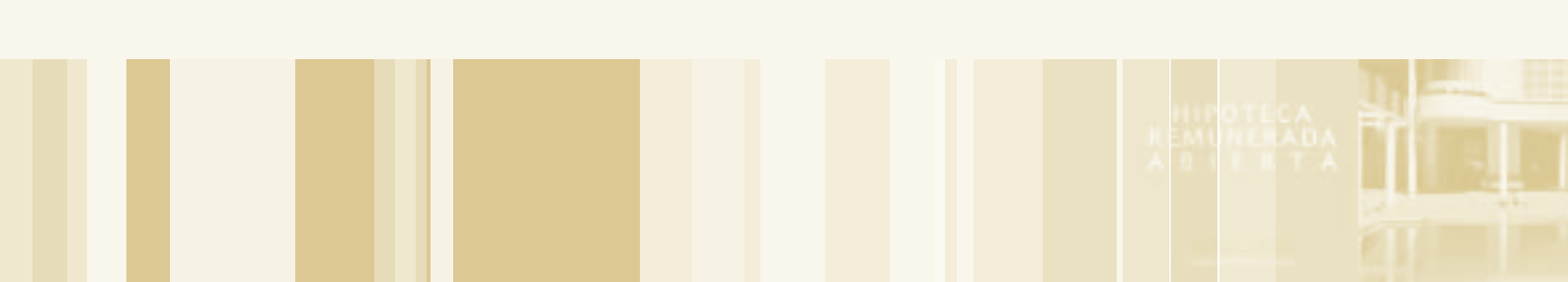


⁽¹⁾ "Companies best perceived for social action. 2004 Report". *Fundación Empresa y Sociedad*.



Objectives for 2004

- 1** Raise levels of satisfaction and tighten relationships with our customers, making efforts to exceed their expectations, contributing value on a permanent basis to all our customer relations and verifying perceived quality
- 2** Listen closely to the suggestions and complaints received from customers in order to be able to make improvements and corrections quickly and appropriately for each situation
- 3** Expansion of brand positioning, innovation in products and services, customer knowledge and customer communications



Objective 1 - Raise levels of satisfaction and tighten relationships with our customers, making efforts to exceed their expectations, contributing value on a permanent basis to all our customer relations and verifying perceived quality

Quality policy

Barclays' strategy in Spain is clearly oriented towards attaining satisfaction for our customers. That orientation is a reflection of our commitment to provide excellent services to each of our customers, offering efficient, complete and timely solutions in accordance with the customer's profile and specific needs.

quality - excellence

To carry out this commitment, Barclays Spain has a Total Quality System in place and in force since 1990. As of that date, Quality and Excellence form part of the strategic principles of our company, and during that time we have carried out a process aimed at on-going improvement, which forms part of our vision and mission as a company, as well as being present in the everyday activities of all professionals working in the Group.



The Quality Policy of Barclays Group Spain has been summarised in the statement issued by our Managing Director, Jacobo González-Robatto:

"The professionals making up the Barclays Group in Spain undertake to provide our internal and external customers with products and services without errors and when they are required; to that end, we all always carry out our work correctly the first time out and in accordance with the established requisites, striving for on-going improvement, excellence and the satisfaction of customers, employees, shareholders and the society in which we live and work".

It is within this framework for action that we intend to differentiate ourselves from our competitors, through quality and excellence in all our relations with customers.

Certifications and evaluations

Barclays Spain maintains its Total Quality Process in line and in accordance with international models and standards for evaluation and assurance of Quality and Environmental management: the EFQM (European Foundation for Quality Management), ISO standards and the "Madrid Excelente" guarantee.

Specifically, in 2004 Barclays Spain has carried out the following actions:

- Renewal of the Certification received from AENOR (Spanish Association for Normalisation and Certification) under the ISO 9001:2000 Standard for the "Design and commercialisation of financial products and services through the Office Network". This certification was first received in 1998 and has been subject to external audit by AENOR each year since then with successful results.



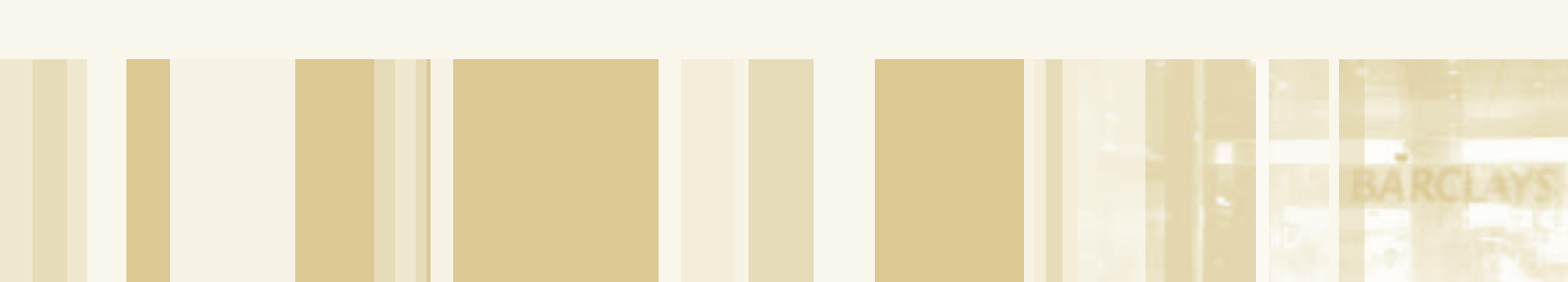
- Licence for use of the “Madrid Excelente” Guarantee issued by the Autonomous Community of Madrid to companies considered to be leaders based on their excellent management within that Community. This licence for use was granted in 2002 after an evaluation of our Quality System.

Quality System Tools

The Quality System of the Barclays Group in Spain consists of numerous tools and procedures aimed at facilitating the adequate management of its processes: internal audits, quality control systems through constant measuring of indicators for the most relevant processes in the business activity, systematic management of suppliers... Similarly, it has opened appropriate channels for communication in order to promote the participation of all professionals in the process of on-going improvement through the presentation of suggestions for improvement. Specifically, since commencement of the Total Quality Process in 1990 a total of 1,159 suggestions have been presented, which represents an average of 4 suggestions a week over that period.

Another key tool for the Barclays Quality System is the periodic measurement of the satisfaction levels expressed by our customers through Quality Surveys. In particular, the following surveys have been carried out in 2004:

- Quality perceived by the Sales Network regarding services rendered by Central Services and Support Departments.
- Quality of Telephone Attention at points of sale.
- Comparative study against the sector in respect of integral services rendered by the Barclays Spain Sales Network, mainly



as regards personal attention, commercial capacity and physical aspects of the offices.

Improve accessibility conditions for disabled persons

Barclays Spain has prepared a *“Report on Compliance with Legislation regarding Disabled Persons and comparison with the provisions of the Disability Discrimination Act (DDA)”*² which analyses both the status of compliance with legal regulations governing accessibility and the elimination of architectural barriers, as well as the level of compliance by Barclays Spain with internal standards for the Barclays Group. The report also sets out the actions taken to date and makes proposals, based on the above actions, for the establishment of new policies aimed at reasonable compliance with the DDA.

In 2004 a total of 15 actions were carried out at Bank installations to eliminate architectural barriers and other adaptations in compliance with the provisions of the DDA and those included in prevailing local legislation.

Objective 2 - Listen closely to the suggestions and complaints received from customers in order to be able to make improvements and corrections quickly and appropriately for each situation

Customer Attention Services

One of the essential factors in ensuring the satisfaction of our customers is and has always been the protection of their interests through the transparency of our actions and compliance with banking standards and good practices.

customer attention

Since June 2004, customers can send us their suggestions and/or complaints through various available channels: by telephone, in writing or over the Internet. Contact data in this regard are as follows:

Barclays Bank SA, Customer Attention Services, at the following addresses:

- Mail: Plaza de Colón, nº 2, 28046 - Madrid
- E-mail: serviciodeatencionalcustomer@barclays.co.uk
- Internet: www.barclays.es

⁽²⁾ *Disability Discrimination Act*: legislation applicable in the United Kingdom conceived to eliminate architectural barriers in accordance with the provisions of UK Standards 8300.

In February 2004 a process was commenced for the revision and restructuring of the Customer Attention Service with a view to obtaining a more business oriented approach by improving customer satisfaction. Greater quality was sought in the texts of responses to customers, as well as a more commercial tone and a more proactive attitude in the appropriate channelling of the situation described in order to find solutions.

As a result, this Service becomes a useful tool to help the sales area, permitting a better understanding of cases of non-compliance in our services, as well as the underlying causes, serving as a guide in the recommendation of measures for solutions.

The Customer Attention Service also acts as a contact entity for communications with the new “Commissions for the defence of financial services customers”, official organisms adhered to Bank of Spain, the Spanish National Securities Board (CNMV) and the Spanish Insurance Authority (DGS).

In 2004 the Customer Attention Service also entered into a service agreement with Barclaycard³, thereby becoming the managing body for claims and complaints received from customers of that entity in Spain.

Barclays Norms for the Defence of Customers

Barclays Spain's intention of turning the Customer Attention Service into a service tool for commercial strategy, in line with the vision of the Barclays Group, coincides in time with the implementation of new legislation. Specifically, Ministry of Economy Order 734/2004 of 11 March governs customer attention departments and services,

as well as the defence of customers of financial entities, and was enacted on 24 July 2004.

In response to this new regulation, all financial companies of the Barclays Group in Spain must subscribe a newly created document, the “Norms for the Defence of Barclays Bank SA Customers”, approved by the Board of Directors in June 2004. As of that time, the Customer Attention Service became the sole register for claims, complaints and suggestions received from customers of the Group in Spain.

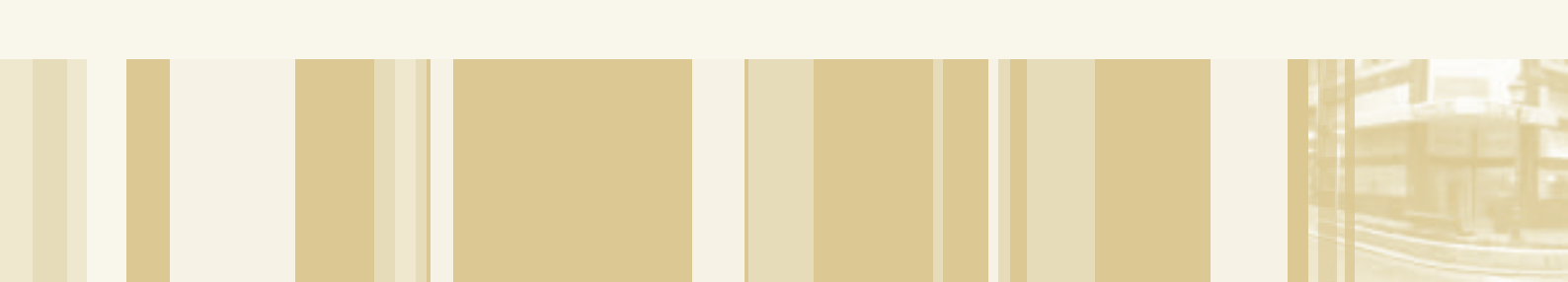
Functional application: efficacy and management of information

A software application has been implemented in the Customer Attention Service which permits the achievement of a capacity for response that is in line with Group standards, as well as a flexible and detailed statistical analysis of the cases dealt with, providing an in-depth understanding of our non-compliance and the causes therefor.

In 2004, the Customer Attention Service has recorded the following:

- 49 reports received from regulatory entities (41.3% less than for Barclays– Banco Zaragozano jointly in 2003) with 53.6% constituting favourable reports for Barclays.
- 950 reports from customers, of which 47% were resolved in favour of the customer, 32% in favour of the Bank, and 21% of which were complaints or suggestions not requiring an opinion.

⁽³⁾ Barclaycard International is a division of the Barclays Group dedicated mainly to the issue of credit cards.



Objective 3 - Expansion of brand positioning, innovation in products and services, customer knowledge and customer communications

Brand Architecture and Values

The positioning of the new brand for the Barclays Group in Spain, after the acquisition of Banco Zaragozano, has been reflected in the definition of consultancy, personalised attention, familiarity and warmth as fundamental values which, as the essence of the brand, reflect the differentiating advantages of our entity and focus on the customer as the core of our activity.

These fundamental values are associated with other central values based on innovation in products and services, the transparency of our actions, accessibility to our services by customers, and the solidity and leadership of our management.

consultancy

These brand values are defined in the following manner:

- Consultancy: know, inform and generate trust in customers in order to provide the most appropriate value proposal for their profile and specific needs, through tailor made financial consultancy services.
- Personalised treatment and attention: management of each of our customers by means of a personal advisor and through the different channels for contact made available. This attention

facilitates a relationship of peers between the customer and Barclays.

- Familiarity: warmth and closeness in customer attention, both in personal attention and in the capacity for and speed of contact, making the customer feel taken care of and understood.
- Innovation: contributing value to our customers through the design and commercialisation of financial products and services that anticipate needs based on customer profiles, as well as through the development and implementation of customer service technologies.
- Transparency: in all our actions, ensuring compliance with prevailing legislation at all times, as well as the permanent application of our demanding standards for action, always in accordance with our corporate principles and values.
- Accessibility: involving active listening and being in touch with customers' needs, and constituting a permanently accessible organisation, where customers select the channels for contact which best meet their needs, tastes or preferences.
- Solidity: strength as an organisation both in respect of performance and results, offering its customers the guarantee and solvency of belonging to one of the largest financial groups in the world.
- Leadership: within the market and for our present and future customers, both through our investments, products and services, as well as in the capacity for personal consultancy, professionalism and qualification of our employees, and our commitment with the society at large.

Knowledge of our Customers

Periodic studies are carried out in Barclays Spain in respect of existing customers and potential customers with a view to determining their valuation of Barclays and identifying their financial and services needs.

These studies and surveys include reports on positioning and image by customer segment, “data mining” and service factor studies, quality surveys after customers join the organisation and studies regarding the brand and its positioning in the financial sector (“Brand Asset Valuator”).



Communications to Customers

The Barclays Group always aims to ensure that all communications with customers are as transparent as possible, easy to understand and look to show customers the benefits available to them through the different products, within the limits imposed by financial terminology.

transparency

Our marketing campaigns comply with each and every one of the norms established by the different governmental organisms in the area of advertising: Bank of Spain, the CNMV and the DGS.

Barclays forms part of the Advertisers Association, following all recommendations and working with suppliers, especially advertising agencies, that form part of that association and which have their own codes of conduct.

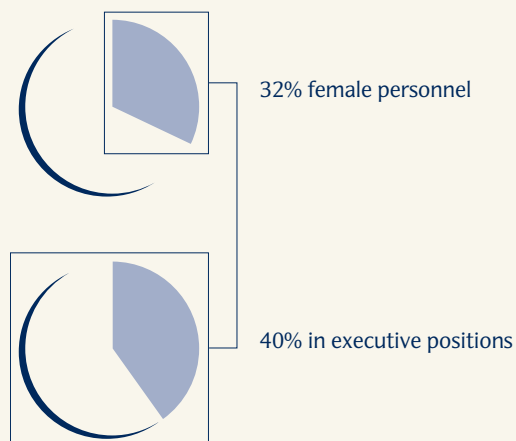


Objectives for 2004

- 1** Develop the professional talents and capacities of employees in accordance with Group strategies and values, fomenting flexibility and customer-oriented attitudes
- 2** Achieve success through inclusion, transmitting to all levels of the organisation that Barclays' vision of Equality and Diversity is a shared commitment
- 3** Provide a healthy and safe working environment, recognising ourselves to be a responsible and committed company as regards management of occupational risk prevention in all our activities

Personnel profile

Number of professionals	3,514
Average age of employees	43
% of women	32%
% of female employees in management, supervisory or technical positions	40%
% of employees with over 10 years' experience	75%
% of employees with university degrees	50%
% of employees on permanent contracts	97%
% of employees belonging to the Sales Network	75%



Objective 1 - Develop the professional talents and capacities of employees in accordance with Group strategies and values, fomenting flexibility and customer-oriented attitudes

Human Resource Development Policy

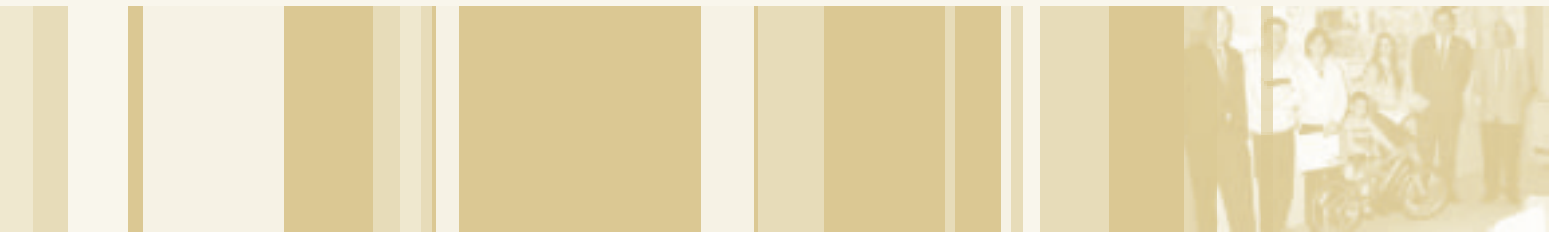
The strategic objective of the Human Resources Area is that of being the “business partner”. It looks to bring employee capacities into line with the strategic objectives of the Bank in order to obtain maximum results in terms of motivation, personal and professional development, proactive attitudes and team pride.

In 2004 Barclays Spain commenced an important process for the definition and implementation of Human Resource Development policies that permit our organisation to create Value in all strategic areas.

Professional Career Development

Barclays Spain has carried out an annual Performance Evaluation for its employees, applying the methodology determined by the Group.

Additionally, a Professional Development Model has been defined which permits the description and evaluation of all Bank positions, as well as the implementation of a competency-based management model and definition of the knowledge and skills profiles necessary for the performance of each job.



The Group considers the management of “talent” to be a key differentiating element and a factor to strengthen our position in the sector. The detection process was commenced this year at a management level and will continue throughout 2005 in the entire Organisation.

Selection

Barclays has continued with its successful policy of internal promotion, to a great degree supported by publication on the Group’s Intranet of any arising vacancies. This has permitted more than 80% of the positions offered to be covered internally.

talent management

The Bank has also maintained its firm commitment to support the business strategy by providing the Organisation with candidates who best meet the requirements for each position, that is, with the best professionals.

Collaboration agreements have been reached with the most prestigious Universities and Business Schools: Universidad de Navarra, ICADE, IEB, ESIC, Instituto de Empresa, Universidad Pompeu i Fabra, Universidad de Deusto, CEU, Universidad de Santiago, Centro de Estudios Garrigues... which has allowed Barclays to have a greater presence in the university environment, as well as direct access to a pool of students to participate in our selection processes.

Social Benefits

The Group commenced a process to homogenise conditions for all employees after the acquisition of Banco Zaragozano, and has reached important agreements which have satisfied expectations all around.

Barclays Spain continues in the clear campaign to bring social benefits for its employees into line with the new circumstances of the environment, analysing possible improvements for implementation in the coming years.

Training

The strategic objectives of the Barclays Group Spain Training department are to develop the professional talents and skills of employees to their utmost capacity, and to maintain and boost the technical professionalism of personnel.



To that end, Barclays Spain prepares a Training Plan each year with a view to developing the knowledge and skills necessary for each job position. The plan is prepared taking into consideration the strategy of the Barclays Group and any changes which may arise in the financial system.

Barclays Spain makes it possible for the results of training to be applied directly in the performance of functions, encourages on-the-job training and promotes professional recycling for employees so that they will be permanently capacitated to undertake new functions and responsibilities.

The entire training process is subject to a process of periodic and on-going measurement and review, in accordance with the ISO 9001:2000 Standard, in order to ensure that the results obtained are in line with established requisites, especially, in those processes of considerable importance given their impact on customers.

Training Ratios

Average Group personnel	3,538
Investment in training	1,898,287 Euros
Total number of participants	10,792
Total training hours	124,848
Average hours per employee	35.29

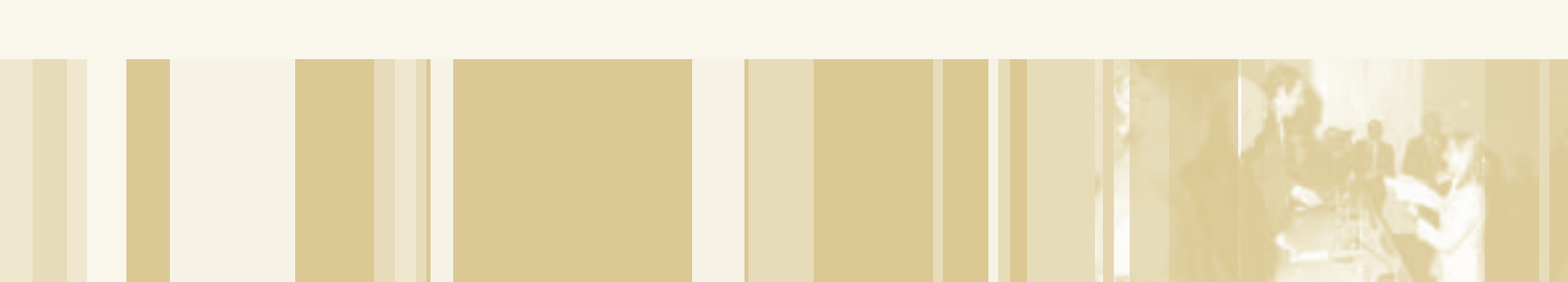
Knowledge management

Knowledge Management within Barclays in Spain is understood to be the identification, transformation and transferral of information to make it accessible and useful for the objectives of the business. Certain ratios that reflect this management activity from the Organisation Area are as follows:

Knowledge Management Ratios

% of employees who access the corporate intranet on a daily basis	80%
Average monthly accesses	3,637,365
Data bases created	431
Documents processed	3,490,406
Electronic work flows	70

1.9 million Euros
investment in training



Objective 2 - Achieve success through inclusion, transmitting to all levels of the organisation that Barclays' vision of Equality and Diversity is a shared commitment

Equality and Diversity Policy

The Equality and Diversity policy of the Barclays Group is based on the principle of contributing to the success of our activity through integration.

The objective of the Barclays Group is to be recognised by customers, employees and the society at large as a leading company in its adaptation to social changes and by its shareholders as an open, fair and innovative organisation.

Equality and Diversity Committee

The Equality and Diversity Committee of Barclays Spain is made up by employees, in a proportionate manner, from different personnel groups: women and men, with more or less seniority, differing ages and experience, from different levels of the Organisation and with labour union participation.

equality and diversity

Among its objectives is that of analysing available information and making proposals for different Equality and Diversity initiatives with an impact on employees, on the society, on the environment, etc.

Creation of the figure of “Defender of Equality and Diversity”

In 2004 the figure of “Defender of Equality and Diversity” was created with a view to leading all Barclays Spain initiatives in the area of Equality and Diversity and provide them with greater entity, and to impulse and raise the values of equality and awareness of diversity in our organisation.

Its priority orientation is aimed at issues relating to gender, disabilities and reconciliation of work, personal and family life.

Process of adhesion to the Óptima Programme coordinated by the Ministry of Labour and Social Affairs

The Óptima Programme, coordinated by the Ministry of Labour and Social Affairs, is conceived to promote equal opportunities for men and women in the workplace, making the most of human capital. Barclays Spain has proposed the incorporation of these positive actions in its human resource policy.

Opinion survey to all employees

Barclays Spain wants to be a place where its employees are proud to work and are listened to.

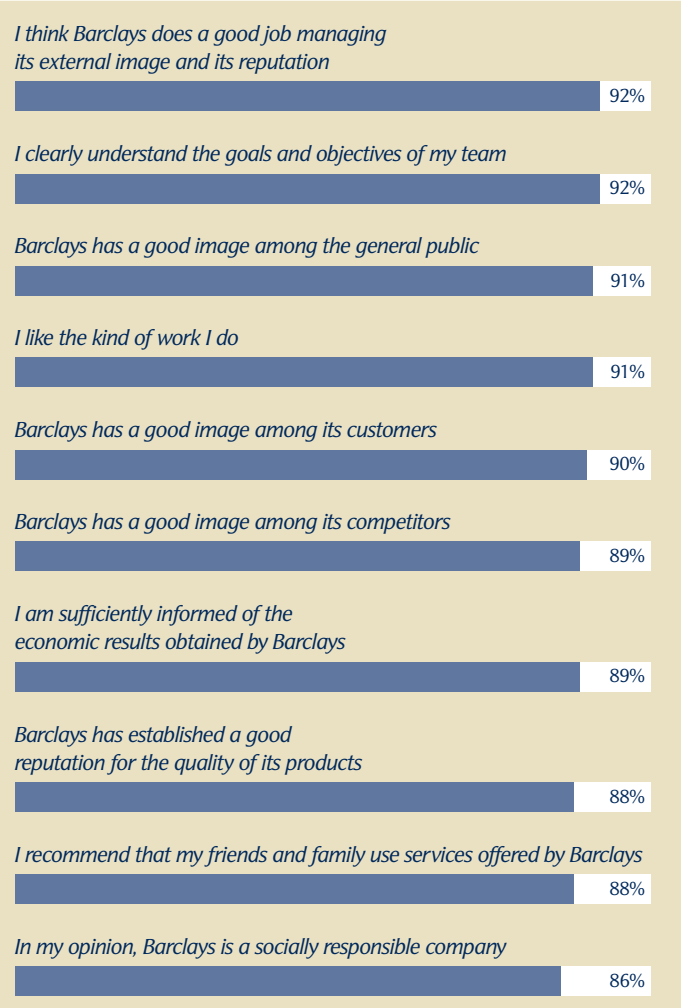
The opinion survey is key to achieve this objective. Since 1998, survey opinions have been performed involving all staff. As in prior occasions, in 2004 the survey was carried out by an independent company (*International Survey Research*) in order to guarantee anonymity and encourage sincerity in employee responses.

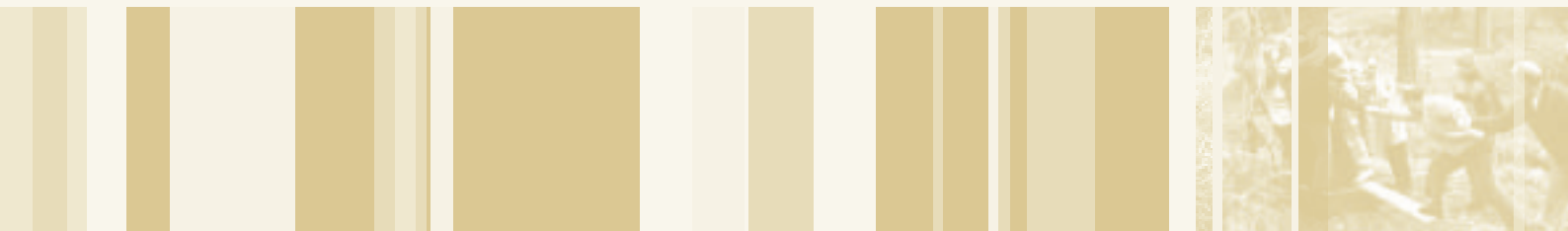
communication

The results are disclosed in an open manner to all personnel and actions are taken to improve the areas indicated by the surveyors. Of total staff, 58% participated in the survey, a significant percentage considering that for the vast majority of employees coming from Zaragozano this was the first time that they had participated in this process.

We would highlight that 86% of employees consider that Barclays is a socially responsible company and 92% clearly understand the objectives of their team.

The 10 questions ranked highest by employees were:





Internal Communication Channels

Barclays Spain makes available to all its employees a variety of communication channels through which, in a transparent and objective manner, bi-directional communication is facilitated between professionals and the company, achieving a personalised and constructive dialogue. The following are among those channels:

- Communications Department
- Human Resources Department
- Direct hierarchical superior
- Defender of Equality and Diversity
- Division, Business Area and Support Department Heads
- Suggestions for Improvements
- Forum on the Corporate Intranet
- Opinion Survey
- Quality Surveys
- Breakfasts with the Managing Director
- On-line News Bulletin

Objective 3 - Provide a healthy and safe working environment, recognising ourselves to be a responsible and committed company as regards management of occupational risk prevention in all our activities

Health and Safety in the Workplace Policy

Barclays Spain is a responsible company, committed to the management of occupational risk prevention in all its activities.

The following actions have been carried out in:


- Evaluation of occupational risks from the point of view of safety, health, ergonomics and psycho-sociology.

- Preventive planning after adopting corrective measures in respect of the risk situations detected.
- Annual monitoring of the health of employees, taking into consideration the specific risks for each job position.
- Non-smoking regulations in all Central Services buildings in Madrid, acting in advance of the future legislation that will be adopted for all our work centres.
- Identification of possible emergency situations and revision of the measures taken.
- Implementation of emergency and evacuation drills.
- Training of and information to employees regarding risks and preventive measures to be adopted in each job position.



Objectives for 2004

- 1** Consolidate Barclays Spain's commitment with the communities in which it is present
- 2** Promote the initiatives of and participation by employees of the Barclays Group in Spain, both through the financing of projects presented by employees and by endorsing volunteer actions
- 3** Establish agreements for collaboration with various public and private organisms



Objective 1 - Consolidate Barclays Spain's commitment with the communities in which it is present

Social Action Criteria

Barclays Spain concentrates its social actions in five areas: education, environment, art, persons with disabilities and social inclusion, and gives special importance to the involvement of its employees in volunteer actions related to those areas.

social action

The criteria for selecting and approving projects in which to collaborate is determined by the identification of those projects with the aforementioned areas, and their impact and sustainability in the collective to which they are directed. Our cooperation is concentrated on Spain and on collectives or communities where Barclays has a presence.

The projects proposed by Group employees and, in particular, those in which employees are personally involved, receive special attention from Barclays.

Activities

In 2004 Barclays Spain has contributed economically to projects with the following organisations:

- Friends of the Prado Museum, Madrid
- *Fundación Empresa and Sociedad*, Madrid
- King's College, Madrid: Scholarship programme for perfecting studies in the United Kingdom
- British Hispanic Foundation, Reina Victoria Eugenia Lectureship, Universidad Complutense, Madrid
- Town Hall of Alfidén, Zaragoza: Programme for the social inclusion of children of immigrants
- Reina Sofía Foundation: Concert to benefit the Alzheimer Project, Bilbao
- 44th International "Blume" Gymnastics Festival, Gran Canaria
- *Nuevo Futuro* Association, Madrid
- Williams Syndrome Association of Spain, Madrid
- Joseph Carreras Foundation against Leukaemia, Barcelona

On another front, the impact of terrorism on society, especially after the terrorist attacks of 11 March in Madrid, has formed a central part of our activity in 2004 and of our planning for 2005. Specifically, as a result of the 11 March attacks, in which various of our organisation's employees were seriously affected, Barclays Spain started up legal and psychological assistance services aimed at employees and customers who may have been affected.

Objective 2 - Promote the initiatives of and participation by employees of the Barclays Group in Spain, both through the financing of projects presented by employees and by promoting volunteer actions

Financing of projects and volunteerism

In 2004 priority was given to initiatives and participation by Barclays Spain employees, both through the financing of projects presented by them and through the promotion of volunteer actions.

In 2004, Barclays Spain financed 41 projects in which 510 Group volunteers participated, 135% more than in the prior year. These initiatives were carried out in benefit of the following organisations:

- Asprona, Albacete
- Infanta Elena Cerebral Palsy Association, Alicante
- Llar les Vinyes Residential Centre for Educational Action, Barcelona
- Fundación Nexe, Barcelona
- Orphanage Africa, Tarancón, Cuenca
- Down Syndrome Association of Compostela, Santiago de Compostela
- Spanish Cancer Association, Madrid
- Hospital del Niño Jesús, Madrid
- Asociación Amigos de los Mayores, Madrid
- Fundación Caballo Amigo, Madrid
- Special Olympics, Madrid
- Fundación Deporte and Desafío, Madrid (2 projects)

- APANEFA, Madrid
- CEADAD, Madrid
- Sagrada Familia Seniors Home, Madrid
- CAMF Centre for the Physically Handicapped, Madrid
- CLEVE, Association for Leisure and Free Time for the Emotionally Handicapped, Madrid
- Fundación Vida, Madrid
- Aldeas Infantiles SOS, Madrid
- Asociación Menudos Corazones, Madrid
- Asociación Azabache, Madrid
- Fundación Sonrisa, Málaga
- Asociación Progresá, Las Torres de Cotillas, Murcia
- ASIDO Down Syndrome Association, Cartagena, Murcia
- Fundación Ilundáin Haritz Berri, Pamplona
- Down Syndrome Association of Pontevedra, O Grove, Pontevedra
- Special Olympics, Seville
- ACÉPTALOS, Association of Parents of Children with Handicaps, Utrera, Seville
- Asociación OROBAL, Los Cristianos, Tenerife
- “El Castillo” Seniors Association, Monreal del Campo, Teruel
- AMAFI, Association for Assistance to Persons with Handicaps, Yepes, Toledo
- ASPADIS, Association for the Deeply Emotionally Handicapped, Valencia
- Fundación RAIS, Valencia
- Asociación GORABIDE, Bilbao
- AFEDA, Association of Families of Alzheimer Patients, Zaragoza
- MM Escolapias, Zaragoza
- Special Olympics Aragón, Zaragoza
- Fundación CANFRANC, Zaragoza
- Mediterranean Forest Association, Zaragoza
- Newham General Hospital, United Kingdom

Based on data from the *Fundación Empresa y Sociedad*, Barclays is among the leading companies in the participation of its employees in volunteer social actions.

Objective 3 - Establish agreements for collaboration with various public and private organisms

Agreements for collaboration 2004

- **Madrid 2012 Foundation:** Barclays Spain wants to participate in promoting Madrid's bid to host the Olympic Games in 2012, and to that end has subscribed a treaty for collaboration with the organising Foundation for that candidature as an "Official Bronze Collaborator - Madrid 2012"



- **Foundation for the Victims of Terrorism:** In December 2004 Barclays Spain entered into an agreement with the Foundation for Victims of Terrorism to channel funds and manage aid intended for victims of terrorist attacks and

their families. This is an open treaty which will channel direct aid from the Bank and from employees contributions, which will be met by equal amounts from Barclays Spain.



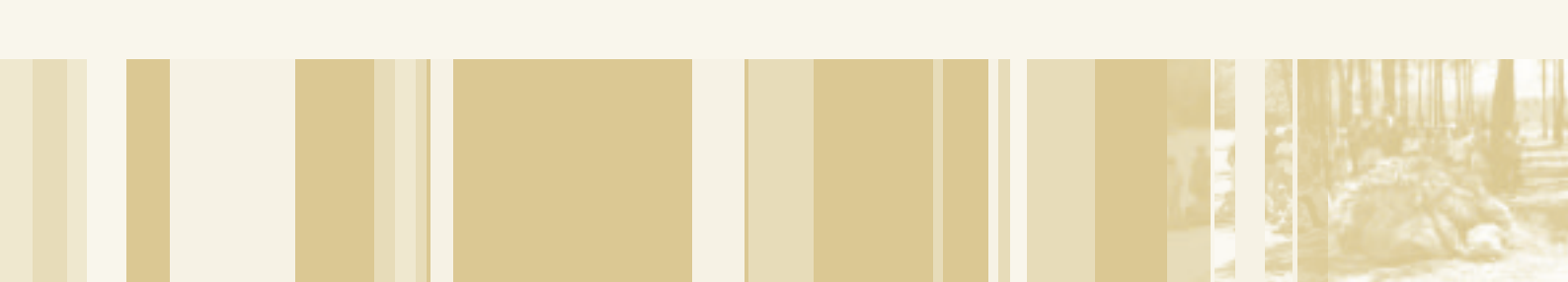
Signature of the agreement between Barclays and the Foundation for Victims of Terrorism

- **SUMMA 112:** in recognition of the extraordinary work carried out by all health, civil protection and safety workers in benefit of the victims and others affected by the terrorist attacks of 11 March in Madrid, Barclays wishes to contribute so that those organisms can continue in their endeavours with maximum efficiency. As a result, in July 2004 Barclays offered SUMMA 112 (Emergency Medical Service for the Community of Madrid) the donation of a transport vehicle and a special container for assistance and rescue in catastrophic circumstances, currently under construction.



Objectives for 2004

- 1** Promote awareness, training and participation by employees in respecting the environment and the efficient use of natural resources
- 2** Facilitate compliance throughout the organisation with legislation governing environmental issues
- 3** Implement efficient controls over compliance with the Environmental Management System



Objective 1 - Promote awareness, training and participation by employees in respecting the environment and the efficient use of natural resources

Environmental Policy

Barclays Spain considers respect for the environment and the efficient use of natural resources to be one of the extensions of its Corporate Social Responsibility, in the firm understanding that this attitude is compatible with economic and business activities and with the concept of sustainable development.

This vision is driven and coordinated by the Barclays Group at an international level through an Environmental Management System implemented in accordance with ISO 14001 Standard, and through the Environmental Risk Management Unit, which is responsible for developing and assisting in the implementation of credit policies that evaluate environmental risks and provide specialised consultancy services in evaluating proposed loans.

ISO 14001

Barclays Spain started up its Environmental Management System in the summer of 2001, and in 2004 the system has received ISO 14001:1996 certification.

Awareness, training and participation by employees

Within the actions carried out during 2004, we would like to highlight the following:

- Corporate Culture Programme which discusses our commitment with the environment and has been given to all employees joining from Banco Zaragozano.
- Suggestions for Improvement sent by employees with various ideas relating, inter alia, to saving energy, recycling waste, the launch of new products and other aspects aimed at improving the environment.
- In 2004 recommendations were published regarding the best practices when printing from personal computers, with a view to reducing paper consumption and detailing the correct use of containers placed around the central services buildings for the recycling of different materials (electrical batteries, metallic beverage packaging, etc.).
- Decision to only use recycled DIN A4 paper in the future for internal printing and photocopying. This format is that of greatest consumption by the organisation and in 2004 represented approximately 270 tons of paper.

Objective 2 - Facilitate compliance throughout the organisation with legislation governing environmental issues

Legal register

To this end, the legal area of the Group in Barclays Spain publishes a register each year with updates to the legislation

that especially affects us due to the development of our business activities. That register is validated by the various areas which are mainly responsible for ensuring compliance.

This work was also carried out in 2004, without prejudice to the daily reviews of legislation and immediate communication to the organisation in those cases where deemed necessary.

[illegible]

Objective 3 - Implement efficient controls over compliance with the Environmental Management System

Operational control

Barclays Spain has identified certain issues that, as a consequence of its activity, have a significant environmental impact. Monitoring systems have been implemented for all these items, permitting their control and improvement. Certain of the most significant issues monitored are set out in the table below.

reciclar

ASPECTOS MEDIOAMBIENTALES	OBJETIVOS
ELECTRICITY CONSUMPTION	Reduction of 5 % kWh/m2 surface in 2005 as compared to 2001.
WATER CONSUMPTION	Reduction of 5 % m3/m2 surface in 2005 as compared to 2001.
PAPER CONSUMPTION	Control consumption to search for mechanisms for reduction, and increase use of recycled paper instead of virgin.
PHOTOCOPIES AND PRINTERS	Reduction of 5 % reams of din A4/used in 2005 as compared to 2002.
TRAVEL	Reduction in the number of plane trips.
WASTE FROM ELECTRONIC AND COMPUTER EQUIPMENT	45 % of disposable elements in 2005 should be reused.
WASTE PAPER	100 % of the paper collected in Central Services should be recycled
TONER CARTRIDGE WASTE	The number of cartridges delivered and collected for ecological destruction is controlled
FLUORESCENT TUBE WASTE	100 % of tubes replaced by Central Services are disposed of ecologically.
VIDEO WASTE	The number of internal videos delivered to employees is controlled, as are those collected for ecological destruction.
CATERING WASTE	All material collected in the containers at Central Services is recycled.
ELECTRICAL BATTERY WASTE	All material collected in Central Services is disposed of ecologically.

Certifications and audits

To verify that the Environmental Management System is applied correctly, regular internal environmental audits are carried out in the departments with greatest responsibility in this area.

Additionally, each year an external audit company verifies the data provided on Spain for inclusion in the Group's Corporate Social Responsibility Report. At the beginning of 2004 the company SGS ICS Ibérica, S.A. certified data for 2003. In spite of the real challenges existing in this regard, and probably the most important achievement in 2004, AENOR certification has been received for our Environmental Management System, in accordance with the ISO 14001:1996 Standard.

Market

The objectives for 2004 were:

- Raise levels of satisfaction and tighten relationships with our customers, making efforts to exceed their expectations, contributing value on a permanent basis to all our customer relations and verifying perceived quality.
- Listen closely to the suggestions and complaints received from customers in order to be able to make improvements and corrections quickly and appropriately for each situation.
- Expansion of brand positioning, innovation in products and services, customer knowledge and communications therewith.





Achievements in 2004 have been:

- Maintenance of the Total Quality Process.
- Renewal of (AENOR) Certification under UNE-EN-ISO 9001:2000 Standard for the “Design and commercialisation of financial products and services through the Office Network”
- Licence for use of the “Madrid Excelente” Guarantee.
- Alignment of the Customer Attention Service to Ministry of Economy Order 734/2004.
- Generation of brand architecture and values for the new Barclays Group in Spain.

Commitments for 2005 include:

- Renewal of (AENOR) Certification under UNE-EN-ISO 9001:2000 Standard, integrating the entire commercial structure originating from Banco Zaragozano.
- Development of brand strategy and values under a unified corporate image.
- Analysis of the launch of products and services with impacts that benefit the Community.
- Follow an active strategy for the diversity of customer needs, based on individual profiles.
- Improve accessibility to our buildings by persons with disabilities.
- Increase communication with customers, informing them as to initiatives by Barclays Spain in the area of Social Responsibility.



Design and commercialisation
of financial products
and services through the
Office Network



Workplace

The objectives for 2004 were:

- Develop the professional talents and capacities of employees in accordance with Group strategies and values, fomenting flexibility and customer-oriented attitudes.
- Achieve success through inclusion, transmitting to all levels of the organisation that Barclays' vision of Equality and Diversity is a shared commitment.
- Provide a healthy and safe working environment, recognising ourselves to be a responsible and committed company as regards management of occupational risk prevention in all our activities.





Achievements in 2004 have been:

- Training in respect of Corporate Culture, Quality, the Environment, Corporate Responsibility and Performance Evaluation for all Banco Zaragozano employees.
- Incorporation of the figure of “Defender of Equality and Diversity”.
- Process for adhesion to the Óptima Programme coordinated by the Ministry of Labour and Social Affairs.

Commitments for 2005 include:

- Extend awareness and internalisation among employees of Barclays’ commitment in respect of Corporate Social Responsibility.
- Detect and manage “talent” at all levels of our Organisation in accordance with the principles determined by the Group at an international level.
- Define programmes for professional development which permit empowerment and allow us to bring the capacities of our employees into line with the strategic objectives of the Bank.
- Develop the Bank’s policy for social benefits in line with the professional development model.
- Define policies aimed at reconciling the personal and professional lives of employees.
- Ensure communication of and training for the initiatives carried out by the Group in the area of Equality and Diversity.
- Implement actions deriving from the Óptima Program give special attention to actions aimed at promoting the employment of persons with disabilities, both internally and through specialised companies.
- Process for incorporation into the “INSERTA” Programme coordinated by the ONCE (Spanish Organisation for the Blind).
- Academic certification, backed by Universities/ Business Schools, regarding the qualifications of our professionals at Barclays in order to ensure high quality advisory services for our customers.

Community

The objectives for 2004 were:

- Consolidate Barclays Spain's commitment with the communities in which it has a presence.
- Promote the initiatives of and participation by employees of the Barclays Group in Spain, both through financing and by promoting volunteer actions.
- Establish agreements for collaboration with different public and private organisms.





Achievements in 2004 have been:

- 510 employees (15% of total staff) participated in volunteer actions in 2004.
- Financing was provided for 41 projects proposed by employees, 135% more than in the prior year.
- Additionally, Barclays Spain contributed economically in projects for collaboration with various institutions and organisms.
- Three important collaboration agreements were signed with the Madrid 2012 Foundation, the Foundation for Victims of Terrorism and SUMMA 112.

Commitments for 2005 include:

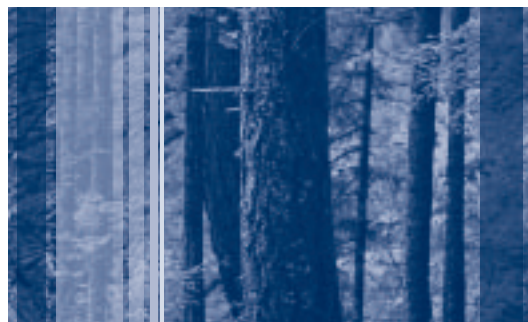
- Bring ourselves into line with the budget policy of our parent company in the United Kingdom as regards Corporate Social Responsibility.
- Continue establishing efficient associations and agreements for cooperation with institutions that promote social integration and training for underprivileged and marginal segments, to protect them against financial exclusion, and develop actions to expand access to the arts and culture in benefit of underprivileged segments and for Barclays employees and their families.
- Continue facilitating the collaboration by employees at an individual level in projects that benefit their communities, and boost levels of participation by employees in corporate volunteer actions.
- Promote the recognition of actions carried out by employees in favour of their communities, creating awards internally within Barclays for Corporate Social Responsibility and externally in association with the best project in which Barclays Spain employees have collaborated.
- Externally, transmit Barclays' commitment in respect of Corporate Social Responsibility.

510 Employees participated in
volunteer actions in 2004

Environment

The objectives for 2004 were:

- Promote awareness, training and participation by employees in respect for the environment and the efficient use of natural resources.
- Facilitate compliance throughout the organisation with legislation governing environmental issues.
- Implement efficient controls over compliance with the Environmental Management System.





Achievements in 2004 have been:

- Systematisation of Environmental Management throughout the entire Barclays Group in Spain.
- Certification of the Environmental Management System under UNE-EN- ISO 14001:1996 Standard (AENOR).

Commitments for 2005 include:

- On-going improvement to the management of environmental issues and impacts arising as a result of our activity.
- Incorporation of environmental standards in projects for development of new installations and/or maintenance of work centres.
- Maintenance of ISO 14001:1996 certification.



Assistance by the central services for the financial activity

Index of Terms

Accessibility	15	Corporate governance	9
Social action	27	Equality and Diversity	23
Collaboration agreements	29	ISO 14001:1996	31, 33
Internal audit	14, 33	ISO 9001:2000	13
Quality	11, 13	Environment	11, 31
Internal communication channels	25	Best practices	31
Code of conduct	9	Mission	4
Communications with customers	18	Objectives	34, 35, 36, 37, 38, 39
Operational control	33	Staff profile	20
Legal compliance	9	Óptima Programme	23
Highlights for 2004	10	Complaints	15
Quality surveys	14	Health and safety in the workplace	25
Opinion surveys	24	Selection	21
Strategy	4	Customer Attention Services	15
Training	21	Recommendations for improvement	14, 31
Supplier management	14	Brand values	17
Knowledge management	22	Volunteer actions	28

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