

Please note this is a section from the full Annual Report the contents of which are below.



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Registered No. 48839

This document contains certain forward-looking statements within the meaning of section 21E of the US Securities Exchange Act of 1934, as amended and section 27A of the US Securities Act of 1933, as amended with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance.

The Group may also make forward-looking statements in other written materials, including other documents filed with or furnished to the SEC. In addition, the Group's senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others. In particular, among other statements, certain statements in the Financial Review and Business Description with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management, and competition are forward looking in nature. These forward-looking statements can be identified by the fact that they do not

relate only to historical or current facts. Forward-looking statements often use words such as "anticipate," "target," "expect," "estimate," "intend," "plan," "goal," "believe," or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The Group's actual future results may differ materially from those set out in the Group's forward-looking statements. There are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made. Barclays does not undertake to update forward-looking statements to reflect any changes in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any further disclosures Barclays may make in documents it files with the SEC.



Keppleway is a social enterprise offering activities and education for groups of disabled and able-bodied people. It was funded by The Charity Bank Limited, a community development finance institution supported by Barclays.

£32m

In 2002, Barclays global community investment totalled £32 million.



Two youngsters who participated in Make a Difference Day along with Barclays employees across the world.



MLE Plastic Recycling Limited has received funds from Salford Money Line, a community development finance institution supported by Barclays.

8,500

In 2002, more than 8,500 Barclays people across the world participated in Make a Difference Day.



Barclaycard is committed to supporting community football. Through the Barclaycard Free Kicks scheme, over £4 million will be invested in the game at grass roots level during the three-year run of the Premiership sponsorship.

# Corporate Social Responsibility

## Making business sense

In recent years, Barclays has published a review of its social and environmental performance separately from the Annual Report. This year Barclays has included an account of Corporate Social Responsibility (CSR) performance as an integral part of the Annual Report. This reflects our belief that value is maximised when we meet the needs of shareholders, customers, employees, local communities and society.

The report that follows summarises how Barclays progressed its responsibilities to customers, employees, communities and the environment in 2002. As a result of feedback received on the 2001 Social and Environmental Report from investors, analysts, journalists, representatives of community and campaign groups, customers and employees, we have tried to be more succinct and adopt a greater international focus. It is supported by a comprehensive online report.

The CSR report on pages 18 to 30 has been verified by SGS, a leading independent provider of management systems certification, environmental report verification and ethical auditing. The verification statement made by SGS is included in the Barclays online CSR report.

In February 2003, Barclays made CSR a key responsibility of Chris Lendrum, Group Executive Director, who is accountable for leading Barclays CSR programme.

Barclays most significant CSR contribution derives from its financial performance. For 2002, we will have paid £1.2 billion to shareholders in dividends, almost £1 billion in taxes and more than £3.6 billion in employee salaries, while providing employment to over 74,000 people and financial services to millions of customers around the world.

In addition, progress was made in 2002 through direct involvement in a wide range of CSR issues. For example, Barclays:

- » provided access for 85,000 new customers, many of whom had not previously had a bank account, to mainstream banking through the Cash Card account;
- » increased investment in the community to £32 million (2001: £31 million) and supported more than 16,000 UK employees in their fundraising and volunteering activity;

- » expanded the Barclays University (bu) programme to create new learning opportunities for employees;
- » was the first UK high street bank to receive ISO 14001 environmental certification; and
- » launched the Barclays Global Diversity Council to ensure that our commitment to equality and diversity is reflected in our businesses worldwide.

As part of the FORGE Group consortium of UK financial services companies, the bank contributed to a Government-sponsored project to develop CSR guidance for the financial services sector. It also helped Business in the Community develop a new corporate responsibility benchmarking index. A Barclays representative at the World Summit on Sustainable Development in South Africa worked to raise awareness of initiatives such as the FORGE guidelines and the United Nations Environmental Management and Reporting initiative.

Barclays is included in a number of external indices of socially responsible companies, the Dow Jones Sustainability Group Index, the Dow Jones STOXX Sustainability Index and the FTSE4Good Indices.

### CSR governance

As an international financial services group with a large workforce and millions of customers, Barclays believes it has a significant impact on society and the environment both directly through its own operations and indirectly through the provision of financial services and the purchase of goods and services.

At Barclays, high-level requirements for the management of social, ethical and environmental (SEE) topics are approved by the Board and are set out in the Board governance standards. Specific topics covered in the SEE and other standards include human rights, labour standards, bribery and corruption, stakeholder dialogue, community investment, equality and diversity and environmental performance. The standard outlines requirements placed on Barclays to develop and apply relevant policies and controls, and to provide the Board with sufficient information to demonstrate that SEE issues are identified, evaluated and managed consistently throughout the organisation.

## Support for small businesses in deprived areas<sup>1</sup> of the UK

The figures below refer to firms with a debit turnover of less than £1 million.

As at 31st December 2002	All Barclays	Deprived areas	% share 2002	% share 2001	% share 2000
Number of business current accounts	693,000	33,024	4.8	4.8	4.5
% in overdraft	19.8	21.4	5.2	5.1	5.0
Number of business deposit accounts	322,000	13,232	4.1	4.3	4.5
Number of loans	127,000	5,014	3.9	4.0	4.3
Loans and overdraft balances (£m)	9,300	247	2.7	3.0	3.0
Deposit and current balances (£m)	12,200	442	3.6	3.6	3.7
Number of business start-ups during 2002 <sup>2</sup>	77,850	4,380	5.6	10.0	11.1
% of stock <sup>3</sup> attributable to start-ups in 2002	11.2	13.3			
Ratio of savings to lending	1.31	1.79			

<sup>1</sup> 'Deprived areas' refers to areas identified by the Bank of England in its report Finance for Small Businesses in Deprived Communities, November 2000. The term 'small businesses' refers to businesses so defined by the British Bankers' Association.

<sup>2</sup> Number of business start-ups during 2002. The most significant change during 2002 was the substantial fall in the number of start-up businesses in deprived areas. The total number of start up businesses rose towards the end of 2002 on a national basis but this has yet to occur in deprived areas.

<sup>3</sup> The stock consists of all firms with a business current account that had a debit turnover of less than £1 million during 2002 (annualised for those with less than a year's history).

## Trading position of 2001 start-up businesses

	All Barclays	Deprived areas
% continuing to trade (end 2002)	70.8	41.5
% of surviving firms with turnover in 2002 of:		
– £100,000+	17.7	11.7
– £1m+	3.5	3.3

## Support for personal customers in deprived areas of the UK

As at 31st December 2002	All Barclays	Deprived areas	% share 2002	% share 2001
Number of current accounts	10,500,000	600,000	5.7	5.3
Number of Cash Card accounts	202,000	27,000	13.4	12.4
Cash cards as a % of all current accounts	1.9	4.5		
Unsecured loans and overdraft balances (£m)	8,000	533	6.6	6.6
Mortgage lending (£m) <sup>1</sup>	57,800	1,937	3.3	3.5
Deposit and current balances (£m)	51,700	1,894	3.7	3.7
Ratio savings to lending	0.78	0.77		

<sup>1</sup> Mortgage lending excludes commercial lending.

All personal financial services offered by Barclays expanded in the deprived areas during 2002. The number of Cash Card accounts continued to rise with increased penetration in deprived areas. Mortgage lending in deprived areas has increased such that the ratio of savings to lending in these areas is broadly similar to levels in the wider customer base.

## CSR in the marketplace Tackling financial exclusion

Barclays recognises its responsibility to help bring financial services within reach of individuals, businesses and social enterprises, especially those in deprived areas, who find it difficult to access mainstream banking.

This is being achieved in part through products such as the basic banking Cash Card account. We support local organisations such as credit unions and Community Development Finance Institutions (CDFIs) and fund money advice and financial literacy programmes.

## Identifying priorities

In 2002, Barclays commissioned research into key stakeholders' views on its financial inclusion work. Consumer and community organisations, government agencies and academics were among those surveyed. The research also identified several areas for improvement. Stakeholders said that all banks needed to make it easier for organisations to apply for funding of financial inclusion initiatives, and were critical of the fact that they often have to submit new applications every year and so find it difficult to implement longer-term programmes.

In response, the process for applying to Barclays for funding was simplified. In addition, Barclays has made several long-term commitments including providing funding over three years for the Community Development Finance Association and support, for three years, for a city-wide credit union in Leicester.

## Access to basic banking accounts

The number of customers with a Barclays Cash Card account grew by 85,000 to 202,000 in 2002. This basic no-credit account, launched in October 2000, is aimed at those who may have previously been unable to open a conventional account because they lacked a financial track record and those worried about going into debt.

# 202,000

Barclays customers now have a Cash Card account

Independent research of Cash Card customers conducted in 2002 revealed that 30% had no previous financial holdings either with Barclays or another financial provider and 35% said they had previously applied for a current account and been refused.

In anticipation of the launch of the Universal Banking services, Barclays made preparations to handle the demand for Cash Card accounts. This involved developing new processes for managing applications, enabling cash withdrawals at Post Office™ counters and training branch teams. In addition, Barclays committed to paying its share of the £180 million being provided by the major UK banks over five years to help finance the new Post Office™ card account. Our contribution is £30 million over five years.

## Affordable credit

Making affordable credit available to individuals and small businesses is a key part of our approach to promoting financial inclusion.

In 2002, we increased our support for credit unions with a contribution of £173,000. Barclays funded the pilot introduction of PEARLS financial monitoring software in nine credit unions in England, Scotland and Wales at a cost of more than £100,000. PEARLS helps credit unions measure their financial performance and has played an important part in the expansion of the credit union movement worldwide. Early signs suggest that the pilot is going well, and Barclays will seek to extend its support for the project in 2003.

# £1.5m

of agreed subsidised lending to the CDFI sector

Barclays currently supports nine CDFIs in deprived communities in the UK. CDFIs act as 'lender of last resort' to local businesses, social enterprises and individuals. In 2002, we agreed subsidised lending to the CDFI sector of £1.5 million and made grants of £122,000, bringing our total commitment to £2.7 million in subsidised lending and £287,000 in grants over recent years. During 2002, Barclays worked with the New Economics Foundation in a pilot study to determine how data on local economies can help promote economic regeneration. This work is due to be published during 2003.

## Improving access for disabled customers

Barclays equality and diversity charter, signed by all members of the Group's Executive Committee in 2001, embraces all customers.

In 2002, we invested a further £7.7 million in an ongoing project to improve access to our branches for disabled customers by introducing facilities such as wheelchair access, power-assisted doors and hearing induction loops. We plan to make similar improvements to more branches in 2003.

A focus group of disabled customers was established to help Barclays understand how better to meet their needs. In late 2002, mystery shopping of branches and the telephone banking service was used to assess employees' general attitude and demeanour towards disabled people. The results have identified a number of employee training needs for customer facing staff.

Barclays also made it easier for visually impaired customers to access information by improving the online ordering system for product leaflets in alternative formats (there is also a telephone ordering line). The booklet that highlights services for disabled customers, *Disabled customers: Making our services available*, is published in standard print, Braille, large print and audiotape and can be ordered online as well as by post, over the telephone and in person at branches. The Annual Review and Summary Financial Statement 2002 is available in alternative formats upon request.

## Advice and financial literacy

Last year, Barclays provided £2.3 million for independent money advice services and financial education. This included the first of two years of funding for the Birmingham Settlement's pilot scheme offering local citizens free and independent information about bank accounts, savings, mortgages and investments.

Promoting financial literacy is an increasing priority for Barclays. In 2002, we agreed a three-year sponsorship of the *uproject* which runs summer activities for school leavers and helps them make informed decisions about their future including financial issues. More than 10,000 young people participated.

# £2.3m

Barclays provided £2.3 million for independent money advice services and financial education

More than 7,000 budding entrepreneurs were targeted to attend Start Right seminars run by Barclays in conjunction with the National Federation of Enterprise Agencies. During 2002, 353 local seminars were held for people in the early stages of running their own business or considering self-employment. Thirty-four (9%) were held in deprived areas, up from thirteen (3%) in 2001.

### Total funding for free independent money advice support



## CSR in the workplace

### Raising the game

In 2002, Barclays continued to build a high-performance culture by launching a new Performance Development system to help employees fulfil their potential.

Performance Development is designed to enable Barclays to recognise and reward top performance. It encourages dialogue between employees and their managers focusing on both results and, importantly, on the values and standards summarised in the Barclays Behaviours, also launched in 2002. The new approach was rolled out across UK operations in 2002, and is now being introduced worldwide.

Recognising the importance of developing the next generation of Barclays leaders, a 'talent model' was created to help managers spot employees with particular potential. In addition, panels of representatives from different businesses are being set up to oversee efforts to develop the organisation's most talented people.

### Rewards and benefits

Barclays aims to provide rewards and benefits that attract and retain talented people and stimulate high performance.

In March 2002, eligible UK employees received discretionary bonus payments under the Performance Incentive Plan (PIP), introduced in 2001. PIP bonuses are linked to employees' individual achievements, as well as the performance of their business and that of Barclays as a whole. They help align employees' interests with those of shareholders, ensuring that high performance is rewarded accordingly.

# 35,000

UK employees have signed up to the ShareSave scheme

Barclays is committed to helping employees benefit from the Group's success through share schemes. In 2002, Barclays repeated the offer to join the ShareSave scheme: more than 35,000 UK employees signed up and more than 70% of eligible employees now participate. ShareSave is one of the most popular schemes of its kind in the UK.

In 2002, ShareSave was introduced to the Barclays operation in Spain for the first time, and more than two-thirds of eligible employees joined.

A new share scheme, the Share Incentive Plan (SIP), was introduced in 2002 in line with the UK Government's policy of encouraging employee share ownership. The SIP provides eligible UK employees the opportunity to buy Barclays shares from pre-tax pay. Approximately 7,000 employees have signed up.

During 2002, the Group's range of benefits in the UK was augmented with the launch of a new childcare payment scheme under which eligible employees with children can choose to have childcare costs deducted from their salary and benefit from exemption from National Insurance Contributions. In addition, Barclays began an in-depth review of its parental leave and flexible working policies, and is due to report the outcomes in 2003.

## Opportunities for all

Barclays values people from all backgrounds and is committed to becoming a more inclusive organisation with a workforce that reflects the markets it serves.

# 22%

The target for representation of women in the UK senior executive population by the end of 2005

The organisation monitors its performance against key equality and diversity objectives. In 2002, good progress was made against the goal of having 3% of UK senior executives from ethnic minorities by the end of 2005, moving to 2.2% in 2002 from 1.1% in 2001. However, the goal of doubling the representation of women in the UK senior executive population to 22% by the end of 2005 is proving more challenging. By the end of September 2002, the figure stood at 11.8%, up slightly from 11.7% at the end of 2001. Barclays remains focused on achieving its equality and diversity objectives.

Progress in equality and diversity is also reflected in regular global employee opinion surveys. In 2002, 69% of employees surveyed by independent research firm ISR agreed that Barclays management supports equal opportunities (compared with a norm of 62% for UK financial service companies in which ISR has carried out similar research).

## Wider equality and diversity issues

Barclays is committed to being a leader in equality and diversity practices in everything it does for customers, shareholders and the community, as well as for employees. This commitment is set out in an equality and diversity charter signed by all members of the Executive Committee in 2001.

During 2002, equality and diversity programmes were launched at Barclays Capital in the US, and in Barclays businesses in France, Spain, Germany, Ghana and Zambia.

Barclays Global Diversity Council, chaired by Group Executive Director Chris Lendrum, was launched in 2002 and brings together senior representatives from across the Group who are accountable for driving and monitoring equality and diversity progress. The Council reports to the Executive Committee and the Board through its chairman.

The bank's equality and diversity work in 2003 will focus on further culture change, meeting the needs of all customers and the continuing roll-out of equality and diversity principles to non-UK operations.

During 2002, training was provided for senior executives and managers in the UK to raise their awareness of equality and diversity issues and build a more inclusive culture. Equality and diversity training was also undertaken for branch and contact centre staff, including programmes to help employees understand the needs of customers of all backgrounds.

Barclays policy requires that equal pay is awarded for work of equal value, regardless of factors such as gender, full or part-time status, race, age or disability. A recent review of salary levels across a sample of Barclays UK operations indicated that the principle of equal pay for work of equal value is adhered to in practice.

Barclays launched recruitment initiatives to attract people with disabilities in Sunderland and ethnic minorities in Bradford; this will be extended to other areas in 2003. In addition, Barclays held career development workshops for ethnic minority employees and for employees with disabilities.

In 2002, Barclays made it possible for UK employees to work for Barclays beyond the normal retirement age of 60, and began actively recruiting people over the age of 60. As a result, 170 people over the age of 60 are now employed in the UK. In acknowledgement of the Group's activity in this area, Barclays became a Government Age Champion.

Early in 2002, Barclays launched the Spectrum network for gay, lesbian, bi-sexual and transgender employees. The network provides support for employees and opportunities to become involved in community fundraising.

In 2002, Barclays achieved a gold standard for race equality in Race for Opportunity benchmarking, and for gender equality in Opportunity Now benchmarking.

## Training and development

As a service business Barclays is heavily reliant on the knowledge and expertise of its people. As we strive to improve our performance and to keep pace with changing customer requirements, we recognise the need to support employees through training. We also believe we have a duty to provide the professional and personal development opportunities vital to long-term employability and job satisfaction.

# £42m

was spent on training and development in 2002

Around £42 million (2001: £57 million) was spent on training and development in 2002. Cost efficiencies were achieved through the ongoing centralisation of separate training functions, many of which were duplicating activity and effort, into a single function, and the development of more cost-effective delivery methods such as online computer-based training. As a result, Barclays believes that, while overall spending on training will decrease between now and 2006, the volume and relevance of training should continue to increase year on year.

In 2002, Barclays corporate university, Barclays University (**bu**), continued to expand. The **bu** website provides access to online learning, self-assessment tools and a facility to order resources from the **bu** library from where more than 29,000 library loans were made in 2002.

In addition, **bu** opened a new 'metro centre'. There are now four centres nationwide offering access to learning materials, computer-based training and learning advisors who can

provide coaching and advice. In partnership with the *learndirect* initiative, **bu** opened smaller local learning facilities in 141 *learndirect* centres.

**bu** also gave UK employees the chance to apply for grants for up to £150 to fund their personal development. Some 8,700 employees took up this offer.

## Partnership

A spirit of partnership characterises our relationship with UNIFI, the trade union that represents many Barclays UK employees. This partnership approach is often held up by UNIFI as a model of progressive employee relations practice. UNIFI is consulted on all plans for business change which impacts staff within the areas it covers and in 2002, UNIFI helped shape the new Performance Development system.

During the year, 77 UNIFI representatives and line managers undertook training to help them work together to put partnership into practice in the resolution of local issues. Under a scheme developed and run jointly by UNIFI and Barclays, 101 UNIFI representatives received official accreditation. This enables them to represent colleagues at disciplinary and grievance hearings and to involve colleagues in UNIFI's work.

## Health and safety

In 2002, we extended our support for employees in Africa with HIV/AIDS. Employees in Botswana and Zambia are now offered free, voluntary and confidential HIV/AIDS testing. Free medical treatment and counselling is offered to staff and their families. In the bank's other sub-Saharan African operations, Barclays is rolling out employee education and awareness programmes.

Barclays remains concerned about the level of absence through sickness among UK employees and will continue its efforts to reduce absence levels.

## Human rights

In 2002, Barclays initiated the development of a formal statement of human rights principles to inform employment and sourcing practices worldwide. The principles reflect the human rights standards enshrined in the UN Universal Declaration of Human Rights and the International Labour Organisation conventions, and cover issues such as minimum working age, health and safety, working hours and discrimination. We are developing a system to monitor our compliance with these principles worldwide.

# 70%

More than 70% of eligible employees participate in Barclays ShareSave scheme.



Barclays believes value is created and maximised when it meets the needs not only of shareholders, but also of customers, employees, local communities and society as a whole.



Barclays lent its support to a three-year partnership with Age Concern to fund Web Aware, a programme giving older people access to IT, the internet and e-mail.



In 2002, Barclays made it possible for UK employees to work for the company beyond the normal retirement age of 60, and began actively recruiting people over the age of 60.



During 2002, a training programme was delivered to senior executives and managers in the UK to raise their awareness of equality and diversity issues and build a more inclusive culture.

# £28.3bn

Barclays Global Investors managed £28.3 billion of institutional funds according to environmental or social criteria specified by clients.

## Barclays employees

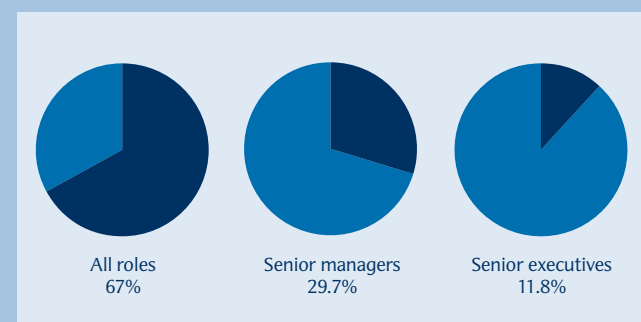
	2002	2001	2000
<b>UK employment statistics<sup>1</sup></b>			
Total employees	<b>64,018</b>	64,143	57,000
Average length of service (years)	<b>11</b>	11	11
Percentage with parental responsibilities	<b>38.5%</b>	40%	–
Percentage working part time	<b>24.5%</b>	24%	23%
<b>Women in Barclays<sup>1,2</sup></b>			
Percentage of all employees	<b>67.0%</b>	67.0%	67.3%
Percentage of senior managers <sup>3</sup>	<b>29.7%</b>	27.6%	26.3%
Percentage of senior executives	<b>11.8%</b>	11.7%	10.3%
<b>Ethnic minorities in Barclays<sup>1,2</sup></b>			
Percentage of all employees	<b>7.7%</b>	7.2%	6.7%
Percentage of senior managers <sup>3</sup>	<b>3.5%</b>	3.2%	2.6%
Percentage of senior executives	<b>2.2%</b>	1.1%	0.0%
<b>Age profile<sup>1,2</sup></b>			
Employees aged under 24	<b>14.7%</b>	14.7%	9.4%
Employees aged 25-29	<b>12.5%</b>	13.6%	12.9%
Employees aged 30-49	<b>62.9%</b>	61.9%	65.7%
Employees aged 50+	<b>9.9%</b>	9.8%	11.9%
<b>Training<sup>1</sup></b>			
Total training budget	<b>£42.2m</b>	£57m	£70m
Face-to-face training days delivered	<b>99,984</b>	–	–
Distance learning training days	<b>20,340</b>	–	–
<b>Pensions<sup>2</sup></b>			
Barclays Bank UK Retirement Fund active members	<b>65,122</b>	63,250	55,000
Current pensioners	<b>35,049</b>	34,185	33,000

<sup>1</sup> Staff numbers are UK permanent staff only. These figures differ from those given elsewhere in the Annual Report which are based on full time equivalent.

<sup>2</sup> Data to 30th September 2002.

<sup>3</sup> Senior managers include all B5 up to SX and equivalents

## Women employees



## CSR in the community Committed to communities

Barclays is committed to playing a leading role in the communities it serves. In 2002, our global community investment totalled £32 million, including £30 million in the UK which makes Barclays one of the country's top corporate contributors (based on figures from the PerCent club). The Group invested 1% of Barclays UK and Africa pre-tax profit in community programmes.

Community investment is channelled into five key areas: education, people with disabilities, social inclusion, the arts and the environment. During 2002, 880 UK projects received Barclays support through charitable donations of £11 million.

# £11m

In 2002, Barclays community investment included charitable donations of £11 million

Barclays commitment extends beyond simply making donations. Through a range of employee involvement schemes, staff are encouraged to give their time, energy and expertise to local communities. In 2002, 16,113 UK employees received support for their volunteering and fundraising, an increase of 58% on 2001.

Our support for employees takes many forms, from matched funding to paid time off work, in order to participate in community activity.

## Making a difference

The enthusiasm of Barclays people for community involvement was unmistakable on Make a Difference Day (MADD). Managed by Community Service Volunteers and sponsored by Barclays, MADD is the UK's single biggest day of volunteering action. In 2002, more than 8,500 Barclays people across the world participated in MADD.

Many of our employees in Africa took part in MADD for the first time in 2002. They worked on activities including renovating schools, orphanages and local hospitals, taking disadvantaged and disabled children on outings, repairing roads and adding safety features such as pedestrian crossings and speed bumps, and clearing parks and play areas.

Every year, Barclays recognises the efforts of employees involved in their communities through the Chairman's Awards for Community and Diversity. Entries are received from all over the world, and finalists are invited to an awards ceremony in London. Winners, who in 2002 came from the UK and as far afield as Zimbabwe and Mauritius; each receive a cheque for £1,000 for their chosen charity.

## Investing in new futures

Barclays donates money to support a range of community initiatives. The Group's activities in education serve as an example of this community investment.

The Barclays New Futures scheme provides cash awards, practical resources and professional advice to help schools set up and run community projects that encourage students to develop citizenship skills. We are investing £10 million over ten years in this scheme. In 2002, 138 schools received awards and, since the scheme's 1995 launch, more than 800 schools have received funding for projects involving 100,000 students and benefiting more than 500,000 people.

# £10m

The amount being invested over 10 years in the Barclays New Futures scheme

For example in 2002, we granted £20,000 to Tiverton High School in Devon for students to develop a support programme for families going through divorces and break-ups. Students worked together on activities to help them come to terms with changes in their home life. To provide advice and support for those outside the school, they created and ran workshops for children in local primary schools and built a website offering advice to parents.

In the US, Barclays Global Investors continued to support several educational programmes for underprivileged young people in San Francisco, and Barclays Capital employees volunteered as mentors to inner-city school pupils in New York. Barclays Africa funded HIV/AIDS awareness programmes for both staff and customers, and initiatives to improve children's access to education.

## Working with communities

	2002	2001	2000	1999
Total global community contribution	£32.3m	£31.1m	£26.3m	£20.9m
Direct donations to UK charities	£11.1m	£9.6m	£8.9m	£5.8m
<b>Employee involvement in the UK</b>				
Amount raised by employees through '£ for £' match-funded activities	£7.4m	£5.9m	£6.8m	£8.2m
Activities match funded	7,615	6,663	7,107	6,877
Employee volunteering groups	1,309	631	70	#
Employee volunteers	10,051	5,102	432	#
Bank hours given to support employee volunteers	10,948	6,195	#	#
Employees receiving paid time off for volunteering	1,409	1,175	#	#
Total employees and pensioners receiving Barclays support for fundraising or volunteering	16,113	10,200	4,202	#
UK charities/voluntary organisations supported by Barclays programmes <sup>1</sup>	5,882	5,293	#	#
Employees giving through 'Pennies from Heaven' scheme	6,271	6,000	#	#
Employees and pensioners giving through payroll	4,580	3,383	#	#

<sup>1</sup> Figures include local branches of national charities as separate organisations.  
# = Figure not available

## Raising awareness

Research undertaken in 2002 confirmed that a key expectation of the public, including our customers, is that Barclays contributes to its local communities. However, many remained unaware of our activities in this area.

To address this, the community programme was outlined in a brochure available in all branches. A full-page advert was placed in national newspapers to thank Barclays staff for their activity in the community and to alert the general public to the scale of Barclays community involvement. In addition, transaction receipts, monthly statements and messages on cash machines promoted aspects of the community programme.

## CSR in the environment Managing our environmental impact

All stakeholders stand to gain from the company's fulfilment of its environmental responsibilities. In 20 years of commitment to environmental improvement, Barclays has expanded its environmental programme. During 2002, our environmental management system (EMS), introduced in 1999, was extended to cover more than 80% of Barclays operations worldwide.

During 2002, Barclays gained accredited certification of the central components of the EMS to the international environmental management system standard ISO 14001, and began implementing the EMS in our main businesses in Africa.

# ISO 14001

Barclays was the first UK high street bank to receive ISO 14001 environmental certification

Barclays progress was reflected in the improvement in its Business in the Environment Index of Corporate Environmental Engagement ranking among financial services sector participants from 16th out of 37 in 2001 to 9th out of 39 in 2002.

## Governance and compliance

Board level responsibility for environmental management policy and performance rests with the Chief Executive Officer. Representatives from the major business areas and support functions make up an Environmental Steering Group chaired by Gary Dibb, Chief Administrative Officer, who is the responsible Executive for environmental management.

In 2002, Barclays environmental policy statement was revised and adopted by the Group Governance and Control Committee (see page 56), and distributed to our UK and key European and African operations.

Barclays Group Environmental Management team maintains registers of environmental legislation for all countries where the EMS is operational. During 2002, we introduced improved controls and checks to track compliance with this legislation.

There are no environmental prosecutions to report for 2002.

## Indirect impacts

### Commercial lending

Throughout 2002, Barclays maintained its focus on managing the environmental impact of its commercial lending.

Barclays is aware of the sensitivities surrounding certain types of projects (for example, mining or hydroelectric schemes), and will lend only to such projects when we are satisfied that environmental impacts are being managed in accordance with stringent environmental criteria (attainment of World Bank standards is generally the minimum requirement). The Group's Environmental Impact Assessment Policy clarifies Barclays approach to ensuring project finance proposals are rigorously assessed to identify, quantify and, where appropriate, mitigate the environmental risks.

In 2002, the Environmental Risk Management Unit (ERMU) continued to work with the Group's credit teams worldwide to raise their awareness of the environmental considerations to be factored into lending decisions. Screening of commercial land offered as loan collateral for potential contamination is a key component of the company's approach, and heightened awareness of this and other environmental issues resulted in a 19% increase in the number of lending proposals referred to ERMU. While the majority came from the UK and mainland Europe, the number of cases referred from Barclays businesses in Africa was twice that in 2001.

# 19%

The increase in the number of lending proposals referred to the Environmental Risk Management Unit

The standard of Barclays management of the environmental impact of its commercial lending was recognised independently by fund managers ISIS (formerly Friends Ivory and Sime) who examined the environmental credit risk assessment policies and procedures of ten European banks.

### Product stewardship

To encourage the use of products and services that contribute to environmental protection, Barclays offered:

- » personal customers access to the Legal & General Ethical Fund and HomeFile Energy Rating surveys with their property surveys;

- » business customers an Environmental Loan Support Scheme and access to the Barclays EMS training programme; and
- » employees an ethical investment option provided by ISIS fund managers in connection with the Barclays UK Retirement Fund.

In addition, Barclays Global Investors managed £28.3 billion of institutional funds according to environmental or social criteria specified by clients.

### Suppliers

Barclays spends more than £2 billion a year on external products and services. During 2002, Barclays continued to use environmental, social and ethical criteria to judge potential suppliers as part of its standard tendering process in the UK. This involves issuing questionnaires on environmental, social and ethical issues to those bidding for contracts.

For outsourcing contracts, Barclays Group Environmental Management team works closely with proposed outsourcing partners to address environmental issues.

During 2002, Barclays Africa began work to make environmental issues a core part of its sourcing decisions.

### Direct impacts

Our size means that we have a significant direct impact on the environment through the consumption of energy and other resources. In 2002, we made further progress towards meeting our environmental targets.

# 10.2%

The reduction in Barclays CO<sub>2</sub> emissions in 2002

Carbon dioxide (CO<sub>2</sub>) is one of the primary agents of global climate change. Originating from consumption of electricity and gas, as well as from business travel, it is one of the company's most significant direct environmental impacts. During the year, Barclays reduced its UK CO<sub>2</sub> emissions by 10.2%, and was the only financial services organisation to volunteer for the UK Government Carbon Dioxide Emissions Trading Scheme. Barclays remains committed to a continual reduction of its global CO<sub>2</sub> emissions.

Progress in reducing water use, paper consumption and waste generation in the UK was achieved. Our UK paper use reduction targets for 2002 were met. Furthermore, our disposal of redundant electronic equipment in the UK no longer leads to land-filling.

For the first time, environmental targets were agreed for Barclays Private Clients businesses in France, Spain and Portugal for 2003 onwards. In addition, we are developing an action plan to measure significant direct environmental impacts in our key African operations.

### Environmental priorities

Inevitably there remains more to do as we strive for continuous environmental improvement. Our focus in 2003 will be on performance improvement rather than systems development, and on continuing to extend the geographical reach of our environmental programme.

This description of Barclays environmental programme and the corresponding data on page 30 have been put together with reference to guidelines produced by the Global Reporting Initiative, an independent global institution set up to develop a generally accepted framework for sustainability reporting.



[www.barclays.co.uk/socialresponsibility](http://www.barclays.co.uk/socialresponsibility)

For a full account of Barclays corporate social responsibility performance in 2002

A short printed report on Barclays corporate social responsibility performance in 2002 is available by telephoning +44 (0)207 699 4003

Audio cassette, Braille and large print versions of the printed report are available by telephoning the Barclays Information line on 0800 400 100, via TextDirect, if appropriate or by e-mailing a request for your preferred format to [disability.issues@barclays.co.uk](mailto:disability.issues@barclays.co.uk)

## Lending

	Unit of measurement	2002	2001	2000	
<b>Responsible lending</b>					
UK land valuation cases reviewed	No.	5,663	6,180	6,138	
UK land valuation cases subjected to further review	%	32	32	25	
Additional case referrals (global)	No.	512	430	457	
<b>Environmental loan support scheme</b>					
Number of loans	No.	38	91	105	
Value of loans	£m	6	15	17	
Total project cost	£m	13	25	29	

## Ethical investment

	Unit of measurement	2002	2001	2000	
Barclays pension fund: UK retirement ethical fund – Additional Voluntary Contributions	£000	364	305	71	
Barclays Global Investors: Total invested in ethical funds	£bn	28	38	28	

## Direct impacts

	Unit of measurement	2002	2001	2000	Progress against target
<b>Carbon dioxide (CO<sub>2</sub>) emissions</b>					
Total energy use and travel: UK	Tonnes CO <sub>2</sub>	170,743	190,192	230,627	
Electricity and gas: UK	KWh/m <sup>2</sup>	297	295	320	2005 target: on-track
Business travel: UK	Grammes CO <sub>2</sub> /km	144	160	151	2002 target: achieved
Energy use and travel: Barclays Private Clients: France, Spain and Portugal (BPC: F, S and P)	Tonnes CO <sub>2</sub>	5,213*	#	#	
<b>Water consumption</b>					
UK	CuM/m <sup>2</sup>	0.56	0.59	0.57	2005 target: off-track
BPC: F, S and P	CuM/m <sup>2</sup>	0.98*	#	#	
<b>Paper consumption</b>					
Marketing and advertising, PFS paper use: UK	Tonnes	3,643*	5,319*	#	2002 target: achieved
Internal publications paper use: UK	Tonnes	202	338	#	2002 target: achieved
A4 copier paper: UK	Tonnes	2,571	2,637	#	2005 target: on-track
A4 copier paper: BPC: F, S and P	Tonnes	212	#	#	
<b>Waste generation</b>					
Waste paper recycled: UK	Tonnes	4,976	†	†	
Waste paper recycled: BPC: F, S and P	Tonnes	215	114	#	
Redundant Electronic Equipment (REE): UK					
– Items sold or donated	%	64	58	#	2002 target: achieved
– Items recycled or disposed	%	36	42	#	
– Of items recycled or disposed: reused within industry	%	93	87	#	2002 target: achieved

### Key

\* = Figure includes some estimation

# = Figure not available

† = Figure previously reported not a direct comparison to 2002

UK CO<sub>2</sub> conversion factors taken from DEFRA guidelines for Environmental Reporting at [www.defra.gov.uk/environment/envrp/gas/05.htm](http://www.defra.gov.uk/environment/envrp/gas/05.htm)

Electricity: 1KW = 0.43kg CO<sub>2</sub>; Gas: 1KW = 0.19kg CO<sub>2</sub>; Rail travel: 1km = 0.06kg CO<sub>2</sub>; Short-haul air: 1km = 0.18kg CO<sub>2</sub>; Long-haul air: 1km = 0.11kg CO<sub>2</sub>

BPC CO<sub>2</sub> conversion factors for electricity taken from "The GHG Indicator: UNEP Guidelines for Calculating Greenhouse Gas Emissions for Businesses and Non-Commercial Organisations" ©2000.

France: 1KW = 0.040kg CO<sub>2</sub>; Spain: 1KW = 0.322kg CO<sub>2</sub>; Portugal: 1KW = 0.384kg CO<sub>2</sub>.