

Corporate social responsibility report

We are committed to conducting our business in a socially responsible manner.

This year, as well as providing this summary in the main Annual Report & Accounts, Bradford & Bingley Group is publishing its first separate Corporate Social Responsibility ('CSR') Report to explore in more depth our CSR programme.

This report is available from our website, www.bbg.co.uk or by request to csr@bbg.co.uk. Alternatively, please write to the CSR Department, Bradford & Bingley plc, 134b New Street, Birmingham B2 4NP to request a printed copy.

Bradford & Bingley's approach to CSR involves conducting our business in a socially responsible manner in respect of the environment, our staff, our customers, our shareholders and local communities.

This summary of our CSR programme follows the FORGE Group framework for CSR management and reporting for the Financial Services sector. The FORGE Group is a consortium of financial institutions and involves the British Bankers' Association and the Association of British Insurers. The guidelines are supported by the Department of Trade & Industry. The framework is divided into the four major themes identified as being those most relevant to financial services organisations – Marketplace, Workplace, Community and Environment.

To facilitate our programme we are a national member of Business in the Community, and the London Benchmarking Group.

In 2003 we participated in the first Corporate Responsibility Index run by Business in the Community. We continue to

be a member of the FTSE4Good Index of socially responsible companies.

Ian Darby, Group Commercial Director is the Executive Director responsible for overseeing our CSR activities.

Doing the right thing in the marketplace

Our philosophy for doing business is simple – finding what is best for the customer, is best for us.

Bradford & Bingley provides independent financial advice on more high streets than anyone else, with over 950 independent financial advisers in our branches across the UK. Our advisers have access to a choice of products from a wide range of providers, so customers can be offered independent advice on products which are suited to their needs.

Whilst the Group has many years experience in the field of independent advice, the acquisition of Holden Meehan Ltd in 2003, now Charcol Holden Meehan, brought the Group a high level of expertise in the field of Socially Responsible Investment.

Now in its ninth edition, Charcol Holden Meehan's Guide to Socially Responsible Investment was first published in 1989. The latest edition can be ordered online at www.charcolhm.co.uk. In terms of the value of investments in the ethical market, Charcol Holden Meehan is the leading IFA.

Our Housing Finance teams have continued to lend to Housing Associations, enabling the regeneration of housing stock across the UK. We have provided loans to over 130 housing

associations and now finance over 90,000 rented homes throughout the UK.

We provide customers with literature in alternative formats, such as braille, audio and large print and, in conjunction with Royal National Institute for the Deaf ('RNID'), we provide sign language and manual interpreting services. We also offer Typetalk services through our partnership with RNID.

Doing the right thing in the workplace

Bradford & Bingley is committed to ensuring the workplace is a safe, diverse and fair environment to work in. We strive for equality across all aspects of working life and, as we recognise the importance of sharing best practice and success, we are members of Opportunity Now and Race for Opportunity. Both these organisations seek to promote gender and race equality within the workplace.

We recognise and accept our duty to protect the health and safety of all staff, contractors and temporary workers, as well as any members of the public who might be affected by our operations.

Robert Dickie, Group Operations Director, is the Board Director responsible for championing good health and safety practices throughout the Group. Health and Safety is managed through a new Human Risk programme. Details of the new approach to human risk have been communicated to all executives and training has been provided to their nominated line co-ordinators, who assist them in meeting their health and safety responsibilities.

Bradford & Bingley has continued to recognise the advantages of employing a diverse workforce.

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Women occupy 36% of management roles and 19% of senior management roles within the Group and Bradford & Bingley has two female Directors on the Board. Ethnic minorities make up 13% of our workforce, and we continue to hold community awareness training programmes for management within the Group.

Our employment practices continue to reflect the human rights standards enshrined in the United Nations Universal Declaration of Human Rights and the International Labour Organisation Conventions, and cover such items as minimum working age, working hours, health & safety and discrimination.

Staff benefit from the Group's success through share schemes. In 2003, Bradford & Bingley offered another opportunity to join the Sharesave scheme and 3,500 (52%) staff have chosen to participate, enabling staff to save to buy shares in the Company.

Feedback from staff is encouraged and valued. We carry out an annual survey of all staff. In 2003 we have also increased the profile of our online staff feedback programme which guarantees a reply to staff within two working days.

Doing the right thing in the community

Bradford & Bingley's community programme invested over £1 million for the fourth consecutive year, and for the second year running we were ranked in the top half of the FTSE 100 by the Guardian Giving List (2003: 47th, 2002: 45th). In 2003, we reviewed the areas of community investment we support, and we have taken the decision to focus our support on two areas: preventing and alleviating the causes of homelessness and employee involvement in the community.

Preventing and alleviating the causes of homelessness

2003 saw a strengthening of the relationship between Bradford & Bingley and Shelter, the UK campaigning charity for homeless and badly housed people. Shelter is a national organisation with local solutions working to improve lives. They provide free, professional and independent advice to over 100,000 people each year, an ethos which Bradford & Bingley heartily endorses.

Bradford & Bingley is now the largest corporate supporter of Shelter, through the sponsorship of Shelterline, the 24 hour freephone housing advice helpline.

Employee Involvement

A major strand of our community programme is to involve our staff in the communities in which we live and work.

We support staff fundraising by matching the first £200 of funds raised per employee, and in 2003, 124 staff received matching of £24,770, an increase of 20% on 2002.

Bradford & Bingley also matches staff donations through our payroll giving programme, Give As You Earn. In 2003 we teamed up with Ease2Give to offer an online solution which has increased take up of the Give As You Earn programme to 8.5% of the workforce, giving an additional £85,323 to charities through the company matching scheme.

Our flagship employee involvement programme for 2003 was teaming up with Shelter to enter a team of 70 runners in the London Marathon. Shelter was the official charity of the London Marathon, and Bradford & Bingley was the official charity sponsor.

Our runners, led by Group Chief Executive Christopher Rodrigues, raised over £150,000 for Shelter.

Doing the right thing in the environment

Bradford & Bingley's progress in relation to its environmental responsibilities was reflected in the Business in the Environment Index results. In 2003 Bradford & Bingley was ranked 120th in the FTSE 350, an improvement from 169th in 2002. In addition, Bradford & Bingley was ranked 69th on the same index amongst FTSE 100 companies.

Charcol Holden Meehan is a Carbon Neutral® organisation. This means that all their carbon emissions in the UK are offset by sponsoring a Biomass Gassification Plant in South India. Rather than using diesel, the plant generates electricity using waste from locally grown produce and also pumps water to help grow produce. The reduced greenhouse gas emissions from this plant more than offset Charcol Holden Meehan's carbon emissions in the UK. Charcol Holden Meehan is the first IFA in the world to go Carbon Neutral®.

In order to improve our Group wide environmental performance, Bradford & Bingley has employed consultants to undertake an environmental review in 2004.

For more details on any part of our CSR programme, please consult our separate Corporate Social Responsibility Report.