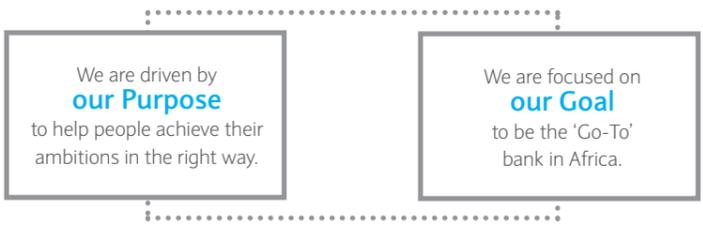




Barclays Africa Group Limited is a diversified financial services provider. We offer an integrated set of products and services across personal and business banking, credit cards, corporate and investment banking, wealth and investment management and insurance. We are building a leading financial services group in our chosen countries in Africa and selected customer and client segments.



### Our Values define the way we think, work and act ...

- Respect
- Integrity
- Service
- Excellence
- Stewardship

To reinforce the importance of living our Values every day, the performance of our business and employees are evaluated against both our objectives ('what') and our Values ('how').

### Our One Africa strategy

Our growth strategy is based on a unique competitive advantage – we are an African bank that is fully global, fully regional and fully local.

### Our Balanced Scorecard

We measure our performance against our strategy and the matters we consider to be most material to our sustainability through our Balanced Scorecard.

Balanced Scorecard component	Material matters
<b>Customer &amp; Client</b> We aim to be the 'Go-To' bank.	Our value proposition including our products and services, accessibility through our physical and digital channels, the quality of our IT infrastructure, service excellence as well as trust and safety of money, information and personal safety.
<b>Colleague</b> We create an environment where employees can fulfil their potential.	Attracting and retaining talent, increasing our succession coverage, employee engagement, diversity and inclusion, skills development, performance and reward as well as health and wellness (including financial health).
<b>Citizenship</b> We have a positive impact on the communities in which we operate.	Managing our citizenship commitments across employee conduct, stakeholder management, environmental and social impacts, access to financial services, helping businesses start up and grow, youth employability and community upliftment.
<b>Conduct</b> We act with integrity in everything we do.	Maintaining high ethical standards, responsible lending, Treating Customers Fairly and regulatory change.
<b>Company</b> We effectively manage risk and create sustainable returns.	Focusing on sustainable revenue growth within the framework of an appropriate risk appetite and disciplined cost management.

# Citizenship fact sheet

### The way we do business

Ensure our decisions take account of stakeholder needs in the short and long term

- We will:** implement a global Code of Conduct to set clear and consistent expectations of behaviour
- We will:** ensure material business decisions reflect stakeholder considerations
- We will:** proactively manage the environmental, social and governance impacts of our business
- We will:** be market leading on transparency – being as open as possible about how we do business
- We will:** minimise our broader systemic risk to the economy and society

### Contributing to growth

Deliver product and service solutions to help more people and society progress in a sustainable way

- We will:** leverage our products, capital, networks and expertise to drive sustainable progress
- We will:** help more businesses to start up and grow
- We will:** improve youth employability

### Supporting our communities

Help disadvantaged young people develop the skills they need to fulfil their potential

- We will:** invest in community programmes
- We will:** help build the enterprise, employability and financial skills of disadvantaged young people

Citizenship is an essential part of being the 'Go-To' bank to benefit all our stakeholders. This means we consider the impact of our day-to-day decisions on society and create positive long-term outcomes for our customers and clients, shareholders, employees and communities. It is one of the ways in which we live our Purpose and Values. We have commitments organised around three areas where we believe we can have the most impact: the way we do business, contributing to growth and supporting our communities.

## Commitment update

2013 commitments	Progress in 2014	Priorities for 2015
<p>The way we do business – with a focus on:</p> <ul style="list-style-type: none"> <li>Ensuring our decisions take account of stakeholder needs through informed decision-making; monitoring the effectiveness of our strategy; and developing our employees in line with our Purpose and Values.</li> <li>Managing our environmental, social and governance impacts.</li> </ul>	<p>97.4%<sup>1A</sup> employees attested to the Barclays Way (2013: 65.4%) and we trained select employees in the Barclays Lens framework to ensure that we consider broader societal impacts and opportunities.</p> <p>We reduced our absolute carbon footprint by 10.3% exceeding our target of 7.7% and implemented our supplier code of conduct, which is supported by an assurance programme.</p>	<ul style="list-style-type: none"> <li>Forge stronger, more accountable Public Private Partnerships.</li> <li>Provide a minimum USD500m of balance sheet to a pipeline of proposed clean power projects that form part of the "Power Africa" initiative. This will increase the available power by up to 12 500MW in participating countries.</li> <li>Continue programmes to reduce carbon emissions.</li> <li>Launch Barclays' Lens training to senior leadership.</li> </ul>
<p>Contribute to growth – with a focus on:</p> <ul style="list-style-type: none"> <li>Supply chain development.</li> <li>Increased access to financial services (including lending).</li> <li>Supporting small and medium enterprises.</li> <li>Improved youth employability.</li> </ul>	<p>We supported over 42 000 small and medium enterprises with seminars and training and established collaborative partnerships to test new financing models supporting the development and growth of small farmers and retailers.</p> <p>We provided more than 4 500 customers with affordable home loan finance and extended access to financial services through innovative products such as Payment Pebble, PepPlus, Shesha and Family Springboard home loans.</p> <p>We granted 824 learnerships (including our Pan-African Graduate programme graduates).</p>	<ul style="list-style-type: none"> <li>Launch our Ready2Work programme to streamline and channel our citizenship initiatives into a single focus and impactful programme.</li> <li>Increase development of small and medium enterprises with a clear focus on access to markets.</li> <li>Unlock banking opportunities in disadvantaged communities through new products and services targeted to meet specific needs.</li> </ul>
<p>Supporting our communities through:</p> <ul style="list-style-type: none"> <li>outcome-based community investment to directly contribute to job creation; and</li> <li>employee volunteering.</li> </ul>	<p>We reached almost 460 000 beneficiaries exceeding our target and refocused our strategic community investment spend on employability and enterprise development programmes.</p> <p>We improved employee participation in volunteering campaigns, for example, participation in our annual Make a Difference campaign increased by 11.5%.</p>	<ul style="list-style-type: none"> <li>Reach 430 000 disadvantaged youth with skills and experience to improve their employment prospects.</li> <li>Collaborate with corporate clients to scale our collective impact.</li> <li>Continue encouraging employee participation in volunteering activities.</li> <li>Enhance our measurement and evaluation framework in assessing our programmes.</li> </ul>

This fact sheet is a supporting document for the 2014 Integrated Report and expands on our performance in managing our approach to citizenship. The full suite of reports is available at [barclaysafrica.com](http://barclaysafrica.com)



## The way we do business

Ensure our decisions take account of stakeholder needs in the short and long term.

### 1. We will implement a global code of conduct

We must ensure our employees understand how our Values underpin every aspect of our business, and set out the behaviours expected of our people across all their working relationships.

Indicator	2012	2013	2014	YoY trend
Employees attesting to the Code of Conduct, 'the Barclays Way' (%) <sup>1</sup>	N/A	65.4	97.4 <sup>LA</sup>	▲

#### Note

<sup>1</sup> The percentage is calculated based on existing employees who completed refresher training and new employees who completed training (excluding non-operational employees, external consultants, interns, managed service contract workers and on-call contract workers) as at 1 December 2014.

The Barclays Way, our Code of Conduct, outlines the Values and behaviours which govern our way of working across our business. It constitutes a point of reference covering all aspects of employees' working relationships, including those with other Barclays employees, our customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community. It is a framework that fosters values-based decision-making and shows how our policies and practices align with our Values, mapping them across the behavioural, ethical and compliance elements of what we do.

Launched in the fourth quarter of 2013, the Barclays Way is attested to annually with 97.4%<sup>LA</sup> employees having completed the attestation just ahead of the annual target of 97%. In addition, we monitor the conduct of our employees through external surveys and by tracking the number of disciplinary cases, grievances and ethical breaches recorded.

We've also launched a clear framework (the Barclays Lens) during 2014, ensuring we move beyond legal, regulatory and compliance concerns and consider broader societal impacts and opportunities. 195 colleagues across various decision-making forums were trained in the Barclays Lens thus far and a key focus for 2015 would be to train senior leaders.

### 2. We will ensure material business decisions reflect stakeholder considerations

We must understand the needs of our stakeholders in the short and long term and integrate these considerations into core decision-making – a key concept of King III. We are investing in increasing our capacity to engage, understand and identify wider stakeholder views and develop tools to help us consider the wider impacts of our decisions.

For further information on our stakeholder engagement approach please see our stakeholder fact sheet



We engage proactively with local, regional and global stakeholders, including governments, development organisations, private sector organisations, civil society, shareholders and our employees on our strategic priorities and key deliverables. The input and challenges raised by these key stakeholders make a contribution to shaping and validating our citizenship strategy.

We structure our programmes to meet multiple identified needs. For example, through our partnership with global organisation TechnoServe, we enable emerging, small-scale farmers and entrepreneurs in the agricultural value chain, to meet multiple stakeholder needs, including:

- increased income levels – often associated with improved access to health and education;
- female empowerment – given the rural and agriculture based nature of the programme; and
- for government – food security and a wider tax base in a sector that will continue to be a key player in GDP and employment opportunities across our continent.

These principles are applied in the structuring of our significant citizenship programmes.

### 3. We will proactively manage the environmental, social and governance impacts of our business

Our most significant impacts on the environment are (1) indirectly via our lending, investing and procurement practices and (2) in terms of managing our direct impact on the environment through energy, paper and water consumption.

Indicator	2012	2013	2014	YoY trend
Transactions reviewed in accordance with Equator Principles <sup>1</sup>	16	18	2 <sup>LA</sup>	Not comparable
Other transactions reviewed for environmental and social risk	57	62	97	▲
Total carbon footprint (tonnes CO <sub>2</sub> ) <sup>2</sup>	427 745	355 869	319 311 <sup>LA</sup>	▼
South African carbon footprint (tonnes CO <sub>2</sub> ) <sup>2</sup>	393 905 <sup>LA</sup>	330 938 <sup>LA</sup>	292 793	▼

#### Notes

<sup>1</sup> Total number of project finance transactions that have been reviewed for environmental and social risks in terms of the Equator Principles. Figures for 2014 are now reported in accordance with Equator Principles III requirements (June 2013) which includes transactions that have reached financial close. There are no project finance advisory or project related corporate loans to report for 2014. All the reported projects have been independently reviewed. One project is located in Africa (non-designated country) and the other project in America (designated country).

<sup>2</sup> To align with Barclays global requirements the reporting period changed from the fourth quarter in 2012 to the third quarter from 2013 onwards. While progress is being made in recording and reporting data across the Group, Rest of Africa data is only included in the diesel, electricity and flights data used in the calculation of the carbon footprint. Total of Scope 1, 2 and 3 CO<sub>2</sub> emissions (GHG Protocol: operational control boundary). Further detail is available in our environmental review. 2013 has been restated to include the revised GHG factors.

<sup>LA</sup> Limited assurance.

## Lending practices

We aim to ensure that the environmental and social risk in our lending is well managed. Before obtaining credit approval, transactions must be screened and evidence provided that the identified risks can be properly mitigated. Our specialist environmental credit risk team assists and guides business and risk managers on how to manage these risks and our deal teams draw on our environmental and social risk guidance notes to aid their understanding and identification of key sector risks, headline issues and considerations. Where appropriate, environmental consultants are appointed to assess and mitigate the identified risks.

Our environmental and social impact assessment policy guides these client relationships. In accordance with Equator Principles III we evaluate each proposed project's expected social and environmental impacts and categorise the project in terms of the International Finance Corporation's environmental and social categorisation process as category A, B or C based on the expected magnitude of its impacts.

Employees involved in providing funding to projects or clients with potentially high environmental and social risks, receive relevant training through presentations and direct engagement with subject specialists. In 2014, 225 employees attended general environmental credit risk presentations and/or informal training. The environmental credit risk management learning programme was officially launched in 2014 and was completed by 138 employees. This interactive online training course for internal credit and business employees enhances bankers' awareness of environmental and social risks and illustrates how these relate to sustainable finance.

From 2014, we report in accordance with Equator Principles III requirements including transactions that reached financial close. All the reported projects have been independently reviewed. We screened two category A transactions – one in the mining and metals sector and one in oil and gas. One project is located in Africa (non-designated country) and the other in America (designated country). We have no project finance advisory or project related corporate loans to report. Our environmental credit risk specialists provided further guidance on 97 general transactions across various sectors.

## Procurement

We strive to limit the impact of the environmental, social and governance actions of our suppliers and communicate our expectations transparently.

Our supplier code of conduct, implemented in 2014, establishes the standards we expected across environmental risk management, human rights as well as diversity and inclusion and we intend to actively assess our suppliers against this through a combination of annual self-certification questionnaires and on-site assessments. In South Africa, we aim to increase the proportion of our procurement spend with black-owned suppliers, black women-owned suppliers and qualifying small enterprise suppliers, as well as exempted micro-enterprises in line with the Broad-Based Black Economic Empowerment Act Codes of Good Practice. Our preferential procurement score as per the Financial Sector Codes was 15.28 out of 16 with a weighted spend of R14.8bn on products and services from 5 064 accredited suppliers. Whilst we have continued to increase procurement from black women-owned suppliers we need to grow this further.

## Our direct operational impact on the environment

As a Group, we have an extensive environmental footprint and it is important that we continue to manage the direct environmental impact of our operations in terms of our carbon emissions, paper and water consumption. The greatest opportunity for reducing our impact is in the way we manage our buildings and business travel. While these programmes may have a short-term negative impact on financial performance, we anticipate the longer-term benefits, both in the reduction of our direct impact on the environment (reduced energy costs) and lower reliance on electricity supply as we use alternative energies such as gas and solar. Continuing the success of previous years, we reduced our carbon footprint by 10.3% to 319 311<sup>LA</sup> tonnes CO<sub>2</sub> from 355 869 tonnes CO<sub>2</sub> ahead of the target of 7.7%. The intensity measured against total employees declined 8.5% to 7.57 tonnes CO<sub>2</sub> per employee from 8.27 tonnes in 2013. Our total energy from electricity, gas and diesel use decreased to 396 705 296kWh<sup>LA</sup> from 433 024 366kWh. Our South African operation remains the most significant contributor to our overall carbon footprint.

Our 2014 achievements include:

- reducing our corporate real estate portfolio by over 68 000m<sup>2</sup>;
- refurbishing Towers North delivering a 64% reduction in energy consumption per employee. We were awarded a Certificate of Merit from Eskom and the runner up prize for Energy Project of the Year in the South Africa Energy Efficiency Awards in recognition;
- completing the fit-out of the new Sandton Head Office which has a 4 Star Green Building Rating;
- completing Barclays Plaza (new Botswana Head Office in Gaborone) and relocated 340 employees from three non-compliant and ageing buildings;
- decreased our demand from the national energy supplier by 2 230 000kWh (equivalent to energy powering 2 230 households) by relying on our energy centre at the Johannesburg campus. We reduced our carbon footprint by 1 487 tonnes by using cleaner gas power supply. In 2014, we received the *Mail & Guardian* 'Energy Efficiency and Carbon Management' Award;
- continuing to reduce paper usage through initiatives such as double-sided printing and the electronic distribution of internal management reports;
- collecting water data remains a challenge as data collection processes are relatively immature. We improved water data collection to include Mauritius, Seychelles, Tanzania and Zambia and we are investigating further cost effective methods of capturing data; and
- expanding tracking of confidential waste paper recycling reporting through process improvements and use of centralised data collection.

## 4. We will be market leading on transparency – being as open as possible about how we do business

We aspire to run our business in an open and transparent manner with consistent engagement and clear disclosure for all our stakeholders. Our focus covers both corporate transparency, including our financial reporting and disclosures on areas such as lobbying and tax, as well as market and product transparency.

Transparency is essential if stakeholders are to gain a clear understanding of the value that Barclays Africa contributes. This requires clear communication of our approach to policies, reporting on our performance, our engagements with stakeholders, and our responses to issues that are important to our stakeholders. It also means making our products easy to understand and simple to use. Transparency is a crucial tenet of King III and we aim to embody this philosophy while remaining cognisant of the risk of disclosing sensitive competitive information.

Our integrated report suite, published annually, serves as the foundation of our reporting to stakeholders. Our aim is to provide stakeholders with a succinct, yet sufficiently detailed view of the organisation, the challenges and opportunities we face, and our approach to creating and distributing value. We strive to follow the trend of focusing our reporting on only the most material issues while providing a balanced view of our performance. As a company incorporated in South Africa and listed on the Johannesburg Stock Exchange (JSE), our primary focus is on South African regulatory reporting requirements. These include the South African Companies Act, No 71 of 2008, the Banks Act, No 94 of 1990, the JSE Limited Listings Requirements and the King Code of Governance for South Africa 2009 (King III). We take the International Integrated Reporting Council's <IR> Framework into account. In addition, there are a number of other reporting frameworks such as the Global Reporting Initiative's (GRI) G4 guidelines which are considered in our disclosures.

In terms of lobbying, we conduct dialogue on issues where we have a legitimate interest and where public policy directly affects our business, such as regulatory and structural reform. We ensure that any communication undertaken is honest, comprehensive and accurate. For example, in South Africa we engage on public policy issues through industry bodies such as National Economic Development and Labour Council, Banking Association of South Africa and Business Unity South Africa. We are politically neutral and do not participate in party political activities or make party political contributions. We are represented in a large number of industry associations locally and regionally. These associations represent their members and shape the industry response to issues and interactions with governments. We seek to be a supportive and influential member of all associations of which we are members.

## 5. We will minimise our broader systemic risk to the economy and society

The 2008/9 financial crisis highlighted the importance of both firms and regulators being prepared to respond effectively to unforeseen severe stress events, either through restoring the viability of firms, taking action to restructure/sell troubled firms, or even allowing an orderly wind-down of distressed firms. As part of the consequent global regulatory reforms, regulators have called on Global Systemically Important Financial Institutions (G-SIFIs) to identify the range of potential options available to restore their capital, liquidity and balance sheet positions during times of stress (recovery plans) and to enable an orderly restructure/wind-down (resolution plans). In line with these developments, the South African Reserve Bank requires banks/banking groups, in South Africa to prepare recovery plans. Our recovery plan has been developed in accordance with regulatory guidelines and is continuously enhanced based on feedback received from the South African Reserve Bank and additional requirements are due in the first quarter of 2015.

### Contributing to growth

*Deliver product and service solutions to help more people and society progress in a sustainable way*

## 6. We will leverage our products, capital, networks and expertise to drive sustainable progress

By supporting our customers and clients and working in partnership with other stakeholders we can create an environment in which individuals, institutions and governments are able to invest in sustainable progress and enable growth.

Achieving long-term sustainable economic growth requires efforts addressing a number of policy challenges such as raising employment, improving access to housing and supporting families in planning for their futures. All of these goals rely on access to appropriate and responsible finance.

In addition, solutions to address social and environmental challenges also require access to appropriate financing to help innovate, develop, commercialise and scale their deployment.

We have cumulative targets for new and renewed lending in the following categories: (1) households; (2) small and medium enterprises; and (3) to assist in raising finances for business and government. While we believe that lending is critical to ongoing growth, we remain mindful of the current economic conditions. In South Africa, the largest contributor to our performance in lending to households has been negatively affected by pressure on employment, disposable income and interest rate increases. Lending to small and medium enterprises has also been affected by economic conditions and higher than anticipated run-off of the book. This has been offset by increased value in financing raised for business and government.

Indicator	2012	2013	2014	YoY trend
New and renewed lending to households <sup>1,2</sup>	N/A	25,38	25,91	▲
Affordable housing – volume of new loans extended <sup>1</sup>	1.6	1.6	1.5	▼
New and renewed lending to small and medium enterprises <sup>3</sup>	N/A	1.89	(0.02)	▼
Financing raised for businesses and government	N/A	80.1	137	▲

#### Notes

<sup>1</sup> South Africa only

<sup>2</sup> Mortgage lending only (excludes Private Bank and Wealth clients)

<sup>3</sup> Balance sheet movement year-on-year. Negative growth is attributed to a much higher than anticipated run-off of the book and low economic growth

## Generating value for households and businesses

We focus on relevant affordable products and services; innovative delivery channels designed to facilitate easier access to financial services; and consumer education that improves financial literacy. We have a clear focus on developing innovative ways to improve access to economically disadvantaged people.

We continue to create a number of new products aimed to increase access to financial services. For example, in South Africa:

- Our first-to-market Family Springboard home loan allows friends or family members to help each other by opening an interest-bearing fixed deposit account, ceding 10% of the property purchase price as security for the loan. The borrower essentially secures a 100% bond with the assistance of a friend or family member willing to act as a sponsor.
- Stokvels, or group savings and lending, have long been a safety net for millions of Africans, providing financial security and social wellbeing. The Absa Club Account operates as a convenient savings and transactional tool for groups of people with common financial interests who want to save together.
- Our affordable housing business unit (My Home) addresses the housing challenges faced by consumers who earn less than R18 600 per month in support of the South African government agenda on providing affordable housing to people. In 2014 we provided more than 4 500 customers with home loan finance at a total value of R1 490m.

Electronic platforms offer a convenient and low-cost alternative to traditional banking channels. Our pricing model encourages and rewards customers who choose to make use of electronic or digital channels as opposed to banking in the traditional way. In South Africa, we have retained free access to internet banking – enabling our customers to transact any time, any place and at no monthly cost. We continue to enhance our ATM functionality to include services such as CashSend (customers can electronically transfer funds via mobile or internet banking to a recipient, who is then able to withdraw the funds without needing a card or bank account); and Scan and Pay which allows anyone to make payments to selected beneficiaries by either scanning or keying in a reference/account number. In addition, we are expanding our branchless banking partners to include more retailers across the country. In-store banking has been enabled at over 1 000 of our retail merchants allowing customers to deposit and withdraw money, check balances, obtain mini-statements and buy pre-paid airtime. Almost R120m worth of high-volume, low-value transactions were processed through this channel in 2014.

Our partnership with retailer PEP Stores in South Africa enables increasingly deeper access to serve underbanked consumers from money transfers to a simple and affordable transactional account. We work with partners to deliver alternative channels, providing access to financial services for people in marginalised and poor communities. We continued with our Shesha Gamification initiative, a mobile phone application-based game, designed to empower our customers with basic, yet effective, knowledge to make better banking decisions.

Outside South Africa, through our social innovation programmes, we continued to accelerate the development of commercial solutions that directly address social challenges. In 2014 we:

- extended our partnership with the Grameen Foundation in Uganda to develop a new retail proposition aimed at engaging village savings and lending groups in formal financial services;
- continued our partnership with corporate client GSK in Zambia to develop and test different models that seek to improve access to healthcare and stimulate economic development; and
- worked with a range of stakeholders in Ghana and Tanzania on financing models aimed at helping smallholder farmers build sustainable livelihoods and strengthen the overall agriculture value chain.

## Generating value for businesses and governments

Across the continent in 2014 we raised over R137 billion for business and governments, providing financing and expertise to important capital projects. In South Africa, we facilitate the municipal housing leadership forum and provide further assistance to the Department of Human Settlements and Municipalities through financing the support programmes for public housing practitioners. In 2013, we signed a memorandum of understanding with South Africa's Department of Science and Technology across five areas of cooperation. We have developed, in partnership with the University of the Western Cape, a financial management training programme focused on provincial government employees involved in the oversight of municipalities.

We participated in the World Economic Forum Africa's water initiative and are serving on the steering committee of the Strategic Water Partnership Network, a public-private cooperative initiative addressing water and sanitation delivery in South Africa. The agricultural sector is traditionally a major consumer of water and we supported the Western Cape Department of Agriculture's Fruitlook programme to improve the water efficiency of agricultural irrigation.

## Financing renewable energy and environmental projects

In 2014, we participated in the power purchase and implementation agreements for renewable energy projects which provide opportunities for private, independent power producers in South Africa to develop large-scale generation projects. We helped resolve bankability issues related to these power purchasing agreements; introduced international investors to the market; and hosted events bringing together investors, government, Eskom and developers.

We have provided debt funding support to 12 projects announced for round three of the South African government's Renewable Energy Independent Power Producer Procurement Programme. These projects include wind, solar photovoltaic and concentrated solar power and have been designed to benefit local communities and will positively impact many businesses during the various construction phases. Up to the third bidding round, we have been involved in financing 1 598mW of renewable energy projects including 456mW for solar photovoltaic, 892mW for wind and 250mW for concentrated solar technologies. This represents about 41% of all renewable energy projects (by mWs) awarded so far. We have also supported 28 projects during the fourth bidding round, with winning bidders to be announced during the first quarter of 2015.

### Absa named 'Outstanding lender' in the wind industry

The South African Wind Energy Association, in conjunction with the Global Wind Energy Association, recognised Absa for our significant contribution to the South African wind industry. We have been one of the most successful banks in financing this specific technology, arranging financing for 892mW of wind energy projects up the latest round of deals awarded in the market (about 45% of all wind energy deals awarded by mW). We structure innovative funding solutions to support our clients and through development of the various projects, contribute to economic and social development in the country and assist in providing power generating capacity to the South African power grid.

## 7. We will help more businesses to start up and grow

Small and medium enterprises (SMEs) are vital parts of the economy in all our core markets. By helping these businesses to start up or grow, we can contribute to wider prosperity.

Indicator	2012	2013	2014	YoY trend
Number of SMEs supported with seminars, tools and training	n/a	35 576	42 594	▲

Enterprise development for small and medium-sized businesses is a key lever to the development of our African economies. Research has shown that this sector employs the highest number of people, including youth. We recognise that starting and growing businesses requires more than funding alone. Our enterprise development approach is founded on three pillars: (1) access to finance; (2) access to markets; and (3) access to non-financial business support.

### Supporting SMEs with seminars and training

In 2014, we provided business advice and support to 42 594 individuals, through a series of seminars, conferences and workshops across South Africa, of which 11 173 received support through training interventions delivered through the Absa Centres of Entrepreneurship and various programmes with strategic partners. Outside South Africa, we identified Barclays Business Clubs as a platform to deliver similar services to local small and medium enterprises. These clubs are located in Botswana, Ghana, Kenya and Uganda and draw on the support, guidance and best practice from the South Africa Enterprise Development Centres. Services include international business trips, business related seminars and conferences and networking sessions.

Innovative products are another tool to assist small business owners. Mobile payment devices like the Payment Pebble allow users to turn their smartphone or tablet into a mobile card machine, providing a quick, secure and easy way to accept card payments anytime, anywhere. This has been applied in other market segments and is being used for payment acceptance in sectors such as courier companies, charities and direct sales organisations. We are also collaborating with corporate clients to test new financing models aimed at supporting the development and growth of small farmers.

In addition, we launched a number of large-scale enterprise development programmes including:

- Massmart/Walmart R300m supplier development programme which focuses on the development of Massmart suppliers in the manufacturing and agricultural sectors. Through this initiative the first 100% black-owned maize mill in South Africa was financed.
- Absa is providing access to markets, development finance and non-financial support to 250 SME suppliers in the Phokeng area. We will also deploy an entrepreneurship centre in partnership with Royal Bafokeng Nation in 2015.
- Joy Global is the largest underground supplier of mining equipment in South Africa. They have opened up their supply chain to black SME suppliers. In partnership with Absa, a 100% black owned parts factory supplier with was established in 2014.

#### Absa Procurement Portal – making SMEs visible to corporate buyers

It can be challenging to launch or grow a business when facing competition from well-established businesses. In South Africa, Absa's virtual marketplace (called the Procurement Portal) increases the visibility of SME suppliers to corporate buyers, giving them access to new markets. Corporates can search for specific suppliers in their region, or for suppliers meeting a certain profile and with a particular capacity. The portal also encourages corporates to buy more services and products from SMEs, facilitates their financial independence and offers a range of non-traditional funding solutions. By the end of 2014, the portal had more than 30 000 SMEs, 3 450 active buyers and 50 corporates registered. More than R2bn in tenders are advertised monthly.

#### SME Index

Absa's Enterprise Development unit publishes a quarterly SME Index highlighting relevant market data extrapolated from Statistics South Africa. The index provides valuable information that allows SMEs to make more informed decisions that will help them to grow their businesses. It also guides policymakers' decisions on SME development and job creation.

## 8. We will improve youth employability

We can help equip young people for the workplace and give them the skills they need to succeed. This can be achieved by offering opportunities at Barclays and working with partners to support wider employability initiatives.

We have partnered with civil society organisations and government to support wider employability initiatives in the communities in which we operate. We have a two-pronged approach that tackles the youth crisis: 'increasing employability' and 'harnessing entrepreneurship' through enterprise development. Our approach includes learnerships (i.e. apprenticeships), our Pan-African graduate development programme, as well as providing bursaries and sponsorships.

Indicator	2012	2013	2014	YoY trend
Learnerships	501	540	617	▲
Bursaries and sponsorships provided	117	123	137	▲
Pan-Africa graduate programme	99	180	207	▲

Learnerships are geared towards building skill and talent pipelines for roles at all levels, especially technical specialist roles. Investing R77m, we provided learnerships to 617 learners. We invested over R24m in our Pan-Africa graduate programme which included 207 high-potential post-graduates. Through our external bursary scheme and sponsorship programmes we fund tertiary education for talented students mostly from previously disadvantaged backgrounds. We have provided bursaries to students from across Africa to study at leading universities in South Africa investing more than R30m.

## 9 & 10 Supporting our communities

*We play a broader role in our communities than only through our core business activities. We invest money, time and the expertise of our employees to deliver a positive social impact in the communities where we operate through a range of awareness and skills development programmes*

Key performance indicators	2012	2013	2014	YoY trend
Total community investment spend (Rm) <sup>1</sup>	104.7 <sup>2</sup>	126.1 <sup>2</sup>	155 <sup>1A</sup>	▲ <small>Not comparable first year of group reporting</small>
South African socio-economic development spend (Rm)	91.6	86.8	109.9	▲
Financial literacy initiatives – numbers of consumers reached ('000) <sup>3</sup>	124	116	198	▲
Total unique colleagues participating in Barclays volunteering, fundraising or giving programmes	13 476	14 064	13 397	▼
Total number of hours volunteered ('000)	105.2	96.8	116.3	▲

#### Notes

<sup>1</sup> Corporate social investment (including enterprise development programmes, employability programmes and financial literacy and skills programmes)

<sup>2</sup> South Africa only

<sup>3</sup> Measures face-to-face initiatives. Based on the amended criteria of the Financial Sector Codes, in 2012 we refocused to reach a wider audience. Thus there has been an increase in awareness beneficiaries and drop in face-to-face beneficiaries

### Our approach

Our community investment programmes provide disadvantaged youth with the skills and experience required to improve their employment prospects, enabling them to fulfil their potential. This is achieved through:

- enterprise development programmes that enhance the prospects of starting a business or income generating activity;
- employability programmes that enhance future employment prospects typically job training, numeracy and literacy skills development; and
- financial literacy and skills programmes that enable young people to make sound financial decisions and manage their money more effectively.

We are also increasingly looking to create supportive, holistic eco-systems. To do so we need to:

- link maturing beneficiaries into our business and personal banking propositions (as appropriate and not as a prerequisite of benefiting from the programme). We believe this is an important step in enabling the transition to market principles as a key proof point of sustainability; and
- create partnerships by co-investing alongside like-minded corporates and developmental partners to scale a programme's impact – and importantly, to support the development of linkage and access to markets i.e. corporate supply chains.

We invested a total of R155m<sup>1A</sup> in these programmes reaching almost 460 000 young people. A key consideration in funding decisions is the long-term, underlying economics of the programme. For example, the agricultural sector is a strong driver of employment opportunities and sustainability and we have approved a programme working with small scale farmers and entrepreneurs in the agricultural value chain in Ghana, Kenya and South Africa.

We select programmes that link an intervention to an opportunity as a tangible means of migrating from output-based to impact-based programmes. We continue to enhance our measurement and evaluation framework to track beneficiaries beyond programme completion to measure attributable impact. The ongoing development of this framework, along with increased collaboration with our corporate clients, will be a key focus for 2015.

Many of our colleagues are involved in highly impactful community and social enterprise work outside of Barclays and these are highlighted and celebrated through the annual Barclays Citizenship Awards. In 2014 Barclays Africa won three of the four global Barclays Citizenship awards.

## Enterprise development

### TechnoServe: Pan-African

TechnoServe works with enterprising people to promote the growth of the SME sector through agri-enterprise by providing technical and enterprise training with linkages to tangible business opportunities. Barclays' employees provide mentoring support to the farmers, with a particular focus on strategic and financial planning.

We have been working with TechnoServe in South Africa since 2011. In 2014 we approved the scaling of our South African investment and the expansion of this programme to Ghana and Kenya working with, in total, 300 small scale farmers and entrepreneurs in the agricultural value chain in creating or sustaining 900 jobs, excluding in-direct job creation.

### IT'S TYME: Pan-African

IT'S TYME is an intensive incubator style programme delivered by Junior Achievement in Kenya, Tanzania, Zambia and South Africa through a series of group sessions.

This programme is designed to create opportunities for marginalised, out-of-school youth between the ages of 15 and 25 to enter the job market and start small enterprises through the provision of life skills training and basic business education and entrepreneurship skills training.

As part of the programme design, experienced entrepreneurs are engaged in the programme delivery passing on practical experience and helping to create networks by linking aspiring young entrepreneurs with experienced ones. In 2014 over 1 368 youth participated in this programme.

## Employability

### Mentec Foundation: South Africa

Mentec targets rural disadvantaged youth across South Africa. The programme addresses the supply and demand side of the employability challenge by providing 'tailor made' training for specific jobs, industries and government based employment. This approach ensures a very high probability of employment through working with specific employers to ensure beneficiaries meet their needs. The programme focuses on ICT (information, communication and technology), entrepreneurial skills, and financial literacy and life skills. Beneficiaries are also able to access mentors, who provide programme support and career guidance. Of the 330 beneficiaries from the 2014 programme, 160 will be placed into formal employment and 170 into internships, i.e. 100% linkage.

## Financial literacy

In South Africa, consumer education is part of our community investment. Included in our performance metrics above, is the R24m invested into consumer education initiatives reaching over 198 000 consumers. With the Banking Association of South Africa, we continue to support the annual Teach Children to Save campaign and mobilised 370 employees to reach 500 schools and over 48 000 children in 2014. We partnered with the Financial Services Consumer Education Foundation to distribute over 45 000 financial literacy magazines to 76 schools nationwide. Year-end spending often leaves consumers overindebted and we send cautionary spending tips to customers via our digital channels.

In Botswana we broadcast, via two youth radio stations, a three month 12-part radio drama series on financial literacy reaching over 14 000 youth. Outside of Botswana and South Africa, consumer education is often embedded within the community investment programmes, such as financial literacy within employability or enterprise development programmes. We believe consumer education is important as it empowers individuals to make informed choices and to improve their lives through responsible personal financial management.

### Banking on Change: Pan-African (enterprise and financial skills)

Banking on Change is a partnership between Barclays and international NGOs Plan UK and CARE International UK. In Africa it operates in Egypt, Ghana, Kenya, Tanzania, Uganda and Zambia. Taking a savings-led approach to microfinance, it aims to give poor people, those living on less than USD2 a day, access to basic financial services for the first time, and the skills to save and manage their money effectively. In 2014, it reached 155 423 young people in Africa.

It also helps marginalised communities to access formal banking products making tangible, lasting improvements to people's lives. It was the first partnership between a global bank and international NGOs to successfully link informal savings groups to the formal banking sector. Barclays aims to build and share the business case for developing savings-led products and services that meet the specific needs of those at the base of the pyramid.

## Volunteerism

Employee participation or volunteering is a key cornerstone of Barclays' holistic colleague engagement strategy. Whilst colleagues are encouraged to volunteer their time and expertise, it is not compulsory.

Colleagues are engaged primarily in three ways;

- Volunteering campaign, i.e. the Pan-African 'Unlocking Youth Potential' (UYP) and global 'Make a Difference' campaign.
- Our community investment programmes have an executive champion allocated to them. These champions mobilise their team around mentoring and volunteering opportunities for their specific programmes.
- Colleagues are also encouraged to get involved with our communities or causes they are passionate about even outside our strategic focus areas, i.e. through Volunteering Grants, Matched Fund-Raising and Payroll Giving to charities selected through a colleague survey (South Africa only).

Unlocking Youth Potential (UYP) equips young entrepreneurs between the ages of 16 and 25 with training and coaching support. In 2014 the UYP campaign was run for the second year with workshops covering three areas: life skills, financial skills and enterprise skills. We are particularly proud that Africa contributed over 50% of the global participants during the 2014 Make a Difference campaign.

Almost 13 400 employees (32%) volunteered their expertise and over 116 200 hours of their time (valued at over R8.5m) in support of our communities. Of this, 78% were skills based interventions in comparison to 69% in 2013. A key highlight was the mobilisation of 1 361 employees during our Pan-African Unlocking Youth Potential enterprise development campaign which reached more than 10 000 youths across Africa.



## Reporting suite

The following reports and fact sheets are available at [barclaysafrica.com](http://barclaysafrica.com)

- Notice of annual general meeting
- Shareholders leaflet
- Annual financial statements
- Risk management report
- Financial results booklet
- Citizenship fact sheet
- Environmental fact sheet
- Broad-based black economic empowerment (BBBEE) (South Africa) fact sheet
- Global Reporting Initiative (GRI) index
- Stakeholder fact sheet
- King III fact sheet