



2013

Barclays Africa Group Limited
Citizenship Report 2013



A landmark deal

Absa Group's purchase of the majority of the Barclays Africa operations was the largest acquisition ever by an African bank. The deal was concluded ahead of time with all eight targeted countries in first closing. Through this transaction, we created one of the biggest banks in Africa with operations in 12 countries, more than 42 000 permanent employees, over 1 300 branches and more than 10 700 ATMs.

The new entity, renamed Barclays Africa Group Limited, is in the unique position of being regionally and locally relevant, while being able to leverage the strength of its global parent company to achieve its growth ambitions in its chosen markets.

The first share trade on the JSE of the enlarged new listed entity was on 2 August 2013. Symbolic of our new Pan-African business, our headquarters – Absa Towers West – was transformed overnight to Barclays Towers West.

Introducing our 2013 citizenship report

We present here our first citizenship report for the Group following the conclusion of the transaction to purchase the Barclays operations in Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Uganda and Zambia. To reflect our Pan-African footprint, the Group was renamed Barclays Africa Group Limited.

At Barclays Africa, becoming the 'Go-To' bank means facilitating greater, more inclusive prosperity for current and future generations. This ambition is at the core of our citizenship approach and requires that we take decisions which, in the long term, are positive for our customers and clients, shareholders, colleagues and the communities in which we operate.

We continue on our journey to describe and quantify how we achieve the creation of non-financial value, sometimes referred to as intrinsic value, intangible value, or sustainability. Such value provides a longer-term view of the health of the business. It flows from the strength of our relationships and the quality of our resources, in particular our people, and it hinges on how we leverage these, through our business model and strategies, to enable all our stakeholders to prosper. We recognise that we are on this journey for the long term.

This report communicates detailed feedback on our delivery of our citizenship ambition. We believe this report shows that we are building the 'Go-To' bank in Africa and a business that is creating sustainable value and prosperity for all our stakeholders.

2013 integrated report

Our 2013 integrated report focuses on those issues we deem most material to our ability to create value and includes a reflection on the Group's 2013 performance, as well as providing summary risk, governance, remuneration and condensed financial statements.

Citizenship report 2013

Barclays' citizenship report provides a comprehensive view of performance against our citizenship commitments.

Additional disclosures are relevant to special interest groups, including our full financial statements, risk management report, our environmental review, BEE review and GRI index.

All our reports can be found at www.reports.barclaysafrica.com

Scope, boundaries and reporting standards

This report covers the period 1 January to 31 December 2013 and, where material, includes information up to 20 March 2014 as well as certain forward-looking statements and targets. This is our first report including our new African operations. While we have management responsibility for Barclays Bank PLC operations in Egypt and Zimbabwe, unless specified, these are not part of our disclosures. While we endeavour to include all of the African countries in all our disclosures, where data is not available, disclosures focus on the South African operations which generate the majority of the Group's earnings. Any restatements are noted.

A number of frameworks such as the King Code of Governance for South Africa 2009 (King III), the Global Reporting Initiative's G4 guidelines and AccountAbility AA1000 influence our disclosures. We also consider evolving integrated reporting guidelines, such as the International Integrated Reporting Framework.



• Further reading



• Online information

LA • Assured indicator



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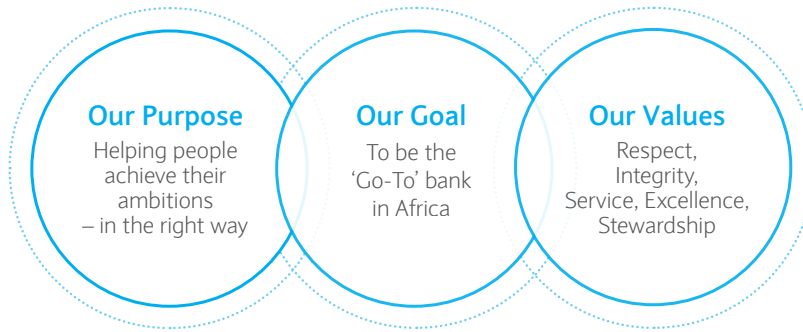
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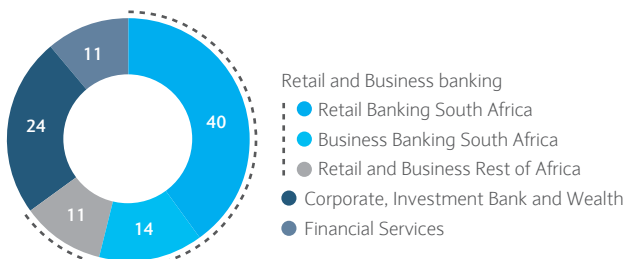
Overview of Barclays Africa

Barclays Africa Group Limited is one of Africa’s major financial services providers offering personal and business banking, credit cards, corporate and investment banking, wealth and investment management as well as bancassurance. With our longstanding presence in 12 African markets we have an unparalleled platform to capture the growth opportunity in Africa.



We are uniquely positioned as a fully global, fully regional and fully local bank and aspire to build the leading universal financial services group in our chosen countries in Africa, as well as selected customer and client segments and to remain locally relevant and competitive in all presence countries.

Headline earnings by business¹



Note

¹ Excludes head office, inter-segment eliminations and other.

11,96 million customers supported by our **42 thousand** colleagues and reached through over **1 300** branches and more than **10 700** ATMs

Our material issues

We assess various issues and influences within the context of our operating environment, strategic ambitions and business model, as well as through the lens of good corporate citizenship. From 2013, we have contextualised the issues we believe materially influence our sustainability within our Group balanced scorecard.

Customer and Client	Colleague	Citizenship	Conduct	Company
Our value proposition which includes our products and services, accessibility, quality of our IT infrastructure, service excellence and trust and safety (of money, information and personal safety)	Attracting and retaining talent, increasing our succession coverage, employee engagement, diversity and inclusion, skills development, performance and reward and health and wellness (including financial health).	Employee conduct, effective stakeholder management, managing environmental and social impacts, access to financial services, helping businesses start up and grow, youth employability and community upliftment.	Maintaining high ethical standards, responsible lending, treating customers fairly and regulatory change.	Management of risk, capital, liquidity as well as revenue and cost growth

Executing our One Africa strategy

Our strategy informs and is tested against our material issues and is implemented through five strategic themes

Customers and clients at the core

Deliver superior customer and client service and make their lives much easier through innovation and value-for-money products.

Build out the platform

Enable growth, scale and efficiency, while supporting our focus on customer and client demands and risk management.

Control and compliance

Embed a culture of transparency and proactive support for risk, governance and control.

People centricity

Engage, empower and create a diverse and inclusive environment where our people can develop further and fulfil their potential.

Deliver sustainable growth

Expand our presence in our priority markets by developing our tailored value propositions.

Measuring our performance through our balanced scorecard



Notes

¹ 2012/2013 growth rate.

² South Africa.

³ 2013 conduct reputation survey only included South Africa, Kenya and Botswana. Survey data is subject to the standard, statistical errors associated with market research of this kind.

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For further information on the balanced scorecard methodology and its data sources refer to our Integrated Report.

Good corporate governance

This is the foundation on which we build shareholder value and our remuneration approach supports our One Africa strategy and effective remuneration governance.

Our citizenship approach

Introduction

The current Barclays 2015 citizenship plan was launched in May 2012 and a refreshed version was published in June 2013 with the disclosure of a number of commitments set out below. These commitments are set out in three pillars which form the basis for our strategy: The first is 'The way we do business'; the second 'Contributing to growth'; and the third 'Supporting our communities'. This allows for an integrated approach in the sense that we have a combination of commitments driven by the different business clusters and a central citizenship team. These commitments are tracked in a balanced scorecard and although the focus is more on the longer-term view than a short-term focus, we are comfortable with the overall progress made so far. At Barclays, citizenship means taking into account the needs of all our stakeholders in everything that we do and taking decisions which in the long term, are positive for our customers and clients, shareholders, colleagues and the communities in which we operate.

Our Purpose: Helping people achieve their ambitions in the right way.

Our Values: Respect, Integrity, Service, Excellence, Stewardship.

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 to set clear and consistent expectations of behaviour
2. We will: ensure material business decisions reflect stakeholder considerations
3. We will: proactively manage the environmental, social and governance impacts of our business
4. We will: be market leading on transparency – being as open as possible about how we do business
5. 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

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

Supporting our communities

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

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

'Go-To' bank in Africa

This report provides detail on our achievements and challenges within each of the three pillars for the year 2013. It also provides, where applicable, insights into some of our future priorities for the next year.

Future priorities

- The way we do business – we will ensure our decisions take account of stakeholder needs through:
 - Informed decision-making processes which embed our citizenship ethos
 - Specific engagement processes with a wide range of stakeholders to monitor the effectiveness of our strategy
 - Developing our colleagues as part of values training, focused on the value of stewardship which is closely aligned to the ethos of citizenship.
- Contributing to growth – our product and service solutions will specifically include a focus on:
 - Supply chain development
 - Increasing access to financial services
 - Improving youth employability
 - Supporting small and medium enterprises in South Africa through our enterprise development centres and other channels.
- Supporting our communities – we will continue to help more than 500 000 disadvantaged young people with training programmes on financial, entrepreneurial and employability skills. Our specific priorities include:
 - Appropriate partnerships through responsible investments to ensure outcomes which directly contribute to job creation
 - Initiatives to encourage and enable colleague engagement to increase the number of colleagues who actively participate.

The way we do business



- The way we do business
- Contributing to growth
- Supporting our communities

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

1. We will implement a global code of conduct

Why is this important?

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.

Key indicator

	2013	2012
% employees attested	65,4	N/A ¹



Note

¹ Reporting of this metric began in 2013.

Our approach

As an African business operating and engaging in many diverse cultures, it is imperative that we have a clear, accessible and well-communicated code of conduct. This ensures that all colleagues know and understand what is expected of them at work beyond their specific job responsibilities.

We require consistently high standards of ethical behaviour from our employees, and these standards are set out in the Barclays Way – the code of conduct we adopted in 2013¹. The Barclays Way was developed in consultation with a range of stakeholders, including dialogue with unions across Africa. It replaced our previous code of ethics and builds on our Purpose and Values, explaining their meaning in terms of desired work behaviours and their link to other policies and practices. It has been translated into five languages and communicated widely across the Group.

Employees are expected to attest annually that they have received, read and understood the Barclays Way. While the code was in place for only the last quarter of 2013, 65% of our employees attested to it by the end of the year, however, by the end of January it had risen to nearly 80%, behind our target of 100%.

The power of our approach lies in the ability to provide clear and accessible guidance to employees. For example, a set of simple questions help colleagues make values-based decisions. Further tools are under development.

We encourage colleagues to speak out if they encounter practices that do not embody our Values and to facilitate this, we provide a confidential whistleblowing line administered by an independent third party.



The selected mandatory policies and procedures referenced in the document are key to supporting our drive for ethical conduct. These include the following policies:

- Anti-money laundering
- Anti-bribery and corruption
- Data protection
- Conflict of interest
- Diversity and inclusion
- Discipline and grievance
- Health and safety
- Environmental

In addition to tracking our attestation rate, we further measure the conduct of our employees through the number of disciplinary cases, grievances and ethical breaches resulting in dismissals, as well as through external surveys.

For further information refer to the Conduct scorecard review on pages 28 to 30 of our Integrated Report.

Future priorities

- To have all employees attest through the formal attestation process.
- Develop an e-learning programme to provide further detail on the Barclays Way.



Note

¹ The Barclays Way code of conduct is different from Conduct Risk. The code uses the term 'conduct' in a generic behavioural sense, while Conduct Risk has a regulatory focus in terms of detriment to customers.


2. We will ensure material business decisions reflect stakeholder considerations

Why is this important?

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.

Our approach

The issues raised by our stakeholders guide our strategy and our responses as we seek to become the 'Go-To' bank in Africa. Our engagement is summarised in the table below.

 Our Integrated Report details the key issues that were raised, how we prioritise and respond to them and our measures to determine performance (see pages 7 – 11).

Customer and Client

Why they matter: Our customers and clients are at the core of everything we do and our strategy is based on their needs and expectations. Our goal is to help them to achieve their ambitions in the right way.

How we engage: Customer experience programme, including surveys and focus groups – Corporate websites and social media – Complaints management process – Face-to-face interaction – Customer forums – Relationship managers – Marketing, sponsorship and advertising

Colleagues

Why they matter: Our colleagues are the primary interface between us and our key stakeholders and are critical to meeting our goals and fulfilling our purpose.

How we engage: Human resource business partners – Employee opinion surveys – Intranet (My HR Portal) and leadership blogs – Diversity forums – Employee contact centre – Television broadcasts, email communiqués, newsletters and magazine – Line manager performance discussion – Corporate-specific and other training interventions

Shareholders

Why they matter: As providers of capital our shareholders have invested in the Group. We require a strong relationship to ensure a shared expectation around our vision, strategy and future performance.

How we engage: JSE SENS announcements – Financial results – Roadshows and conferences – Management meetings and query resolution – Investor days – Annual general meeting – Integrated report

Suppliers

Why they matter: We partner with a number of key suppliers to serve our customers and clients, underlining the importance of reliable, quality and cost-effective suppliers.

How we engage: Specialised publications – Supplier internet site – Periodic supplier management meetings – Requests for proposal – Procurement conferences

Government and regulators

Why they matter: Governments and regulators provide the legal and regulatory frameworks that guide the way we do business. These enable a fair, ethical and competitive environment.

How we engage: Management meetings – Written responses in consultation processes – Presentations and feedback sessions – Conferences – Participation in working groups and forums – Regulator surveillance and interaction – Tenders

Industry associations

Why they matter: Industry associations are an excellent forum for debating industry issues providing a stronger platform to engage and give voice to our business concerns.

How we engage: Round table discussions – Participation in association boards – Council attendance – Working groups

These bodies can serve as an important link between individual companies, regulators and governments.

Charities and non-governmental organisations

Why they matter: The success of our business depends on the wellbeing of the societies in which we operate. Charities and non-governmental organisations enable the Group to amplify our impact in addressing a number of socio-economic challenges.

How we engage: Community investments – Financial literacy programmes – Employee participation – Community investment stakeholder and sector forums and events, including sponsorship – Community investment research – Electronic channels such as the internet

Engagement and emerging citizenship themes

Over and above the ongoing stakeholder engagement outlined in the table above in 2013 we hosted our first Africa stakeholder engagement day, an open dialogue session in which our stakeholders raised both issues and opportunities related to the societies in which we operate. The session laid the foundation for improved collaboration with our stakeholders and the resulting feedback informed the refinement of our citizenship strategy and focus areas for 2014.

Emerging themes from the workshop included:

- **Scale and collaboration:** The importance of finding the best methodology to scale projects; collaboration to support scalable projects should not be limited to corporates.
- **Entrepreneurship:** Corporate support of small enterprises is an important ingredient for successful economies. Barclays Africa should consider how to raise small enterprises' understanding of corporate needs to facilitate market access.
- **Education:** Information and communication technologies serve as an important link between education and innovation by empowering youth to educate themselves.
- **Women:** Support for women is critical and should be clearly tracked.
- **Employees:** Our workforce plays a meaningful role in supporting skills development and we should continue to encourage our employees to participate in programmes to achieve this.

In early 2014 we held a three-day workshop in which we obtained the input of both external and internal stakeholders from across the continent. The outputs of this will inform our long-term citizenship vision.

Future priorities

- To hold additional issue-specific sessions and to refine our strategy and focus areas within the region.
- Introduce the 'Citizenship Lens' (see text box alongside)

Citizenship Lens – enhancing our decision-making

While our formal policies outline Company expectations on a variety of issues, they do not cover all possible decisions or eventualities employees may face in the line of work. We are therefore equipping colleagues with decision-making tools to better anticipate and manage the broader impacts of their decisions on society and the environment.

Our newly developed 'Citizenship Lens' tool helps ensure we are taking into account the interests of our customers, clients, shareholders and communities in the decisions we make every day. The lens is intended to serve as a guide in the first stage of the decision-making process by facilitating a discussion about our impact as well as the potential to create short- and long-term value for society.

Colleagues are encouraged to ask themselves the following five questions:

1. How are we making profit (directly or indirectly)?
2. How are we being transparent and clear in our communication and dealings with customers and stakeholders?
3. How are we creating long-term value?
4. How are we creating shared value, where win-win occurs to the Group, the customer and society at large?
5. Is this the right thing to do?

The lens is being integrated into our core decision-making processes and governance structures, including new product approval and product review processes. In 2014, we will roll out training targeted at employees involved in key decision-making processes (ie senior management level and above).

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

Why is this important?

Businesses are expected to manage environmental, social and governance issues relevant to their activities, including ethical and reputational concerns. This includes our business lines, our supply chain and our direct environmental footprint.

Key performance indicators

	2013	2012
Transactions reviewed in accordance with Equator Principles (number) ¹	18 ^{LA}	16 ^{LA}
Other transactions reviewed for environmental and social risk	62	57
Africa carbon footprint (tonnes CO ₂) ²	366 815	405 164
South African carbon footprint (tonnes CO ₂) ²	335 442 ^{LA}	367 897 ^{LA}

Notes

- ¹ Total number of project finance transactions that have been reviewed for environmental and social risks as per the Equator Principles.
- ² 2013 reporting period was changed to Q4 2012 to Q3 2013 to align with global requirements. 2012 figure aligns with financial year and has been restated for South Africa. These figures have been restated in line with the move to reporting using a single source of data globally. The difference is due to changes in the calculation methodology and certain new aspects being included in scope. Figure is total of Scope 1, 2 and 3 carbon dioxide emissions. GHG Protocol: operational control boundary
 - Scope 1 – Direct combustion of fuels, and company-owned vehicles (South Africa only)
 - Scope 2 – Purchased electricity for own use
 - Scope 3 – Indirect emissions from business travel (local and international flights and private cars and South Africa car hire)

^{LA} Limited assurance

Our approach

Management of environmental and social impacts is focussed across wholesale credit, procurement, facilities management and travel services.

Managing environmental and social risk in lending

In line with our business model, we provide funding for large projects, some of which may negatively impact the environment. We manage the reputational, credit and collateral risk associated with this environmental impact through proactive risk assessment and robust controls. Our aim is to ensure that the projects we fund effectively manage their impact on the environment and surrounding communities. Our environmental and social impact assessment policy provides direction on appropriate due diligence for sensitive projects, including those in scope of the Equator Principles. Similarly, our nuclear and defence policies provide the frameworks for due diligence related to credit transactions in these industries. Our specialist environmental credit risk team identifies and evaluates the environmental and social risks in potential transactions and, based on the outcomes of their assessment, provides mitigation and management recommendations.

The environmental credit risk team screened a total of 18^{LA} Equator Principles transactions in 2013, of which more than half were based in the renewable power generation sector. The majority were rated as Category B projects (those with limited adverse environmental and social risks and/or impacts). Seven were rated as Category A projects (those with potential significant adverse environmental and social risks and/or impacts). Guidance was also provided on 62 general transactions in various sectors during the year. The greatest number of deals were based in the mining and metals; oil and gas; and services sectors.

Training and awareness

Employees, involved in business operations and credit applications that provide funding to clients with potentially high environmental risks, receive environmental risk training through presentations and direct engagement with subject specialists. From early 2013 new employees in credit teams received this training as part of their induction.

In partnership with Banking Association of South Africa affiliates and Banking Sector Education and Training Authority we developed an introductory environmental risk awareness course. The main purpose of this course is to enhance bankers' awareness of environmental and social risks and illustrates how these relate to sustainable finance. The course is currently being adapted internally to create an interactive online training course for internal credit and business employees.

Procurement

Our suppliers are an extension of our business; they help us achieve our goals in delivering the best products and services to our customers.

We strive to limit the impact of the environmental, social and governance actions of our suppliers and communicate our expectations openly with our suppliers. Those identified as high-risk from commercial and sustainability perspective are given contracts with specific minimum control requirements. These relate to the management of areas such as health and safety, diversity and inclusion, human rights and the environment.

Supplier code of conduct launch

In keeping with our Values, we are launching our supplier code of conduct in 2014 to ensure the highest standards of conduct across all aspects of environmental management, human rights and diversity and inclusion. This will be supported by an assurance programme that will assess suppliers based on the requirements of the code and will include a combination of annual self-certification questionnaires and onsite assessments to ensure continued focus.

Supplier diversity

We are focused on doing business with the right suppliers in the right way. It is increasingly important to get the most value from our supplier engagements, and we aim to identify and do business with qualified diverse suppliers. In South Africa, we seek to increase the proportion of our procurement spend with black-owned, black women-owned 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 14,92 out

of 16 with R14,1 billion weighted spend on products and services from 7 334 accredited suppliers. We aim to help our existing suppliers to transform, while also sourcing products and services from qualifying suppliers. Backing this commitment, the Group is a founding member of the South African Supplier Diversity Council, a corporate-led initiative to promote sustainable supplier diversity and encourage procurement opportunities for black South African suppliers.

Our direct operational impact on the environment

As we work to mitigate our environmental footprint, our main focus is on energy management as it is the most significant contributor to our carbon footprint. We met our 2012 carbon target with a wide margin and so have set new reduction targets to be achieved by 2015 using 2012 as the new baseline year.

Through various initiatives, our absolute carbon footprint decreased 9,5% across the Group (8,8%^{LA} in South Africa) keeping us ahead of target.

Energy

We have proactively managed the environmental impact of our property portfolio to reduce our energy consumption and our contribution to climate change while curbing rising electricity costs. Through various initiatives we have contributed more than 30% of the global energy target (to reduce energy consumption by 75 million kWh) and 55% of the global cost savings target (to save £7 million).

These initiatives include:

- The property consolidation in South Africa reduced the real estate portfolio by circa 100 000m² in 2013 and improved operational efficiency.
- We have increased activities in our Group-wide efficiency programme initiated in 2011: we include energy efficiency as part of our baseline design and are focused on mass efficient lighting replacement.
- We made a unique contribution by helping the national electricity service provider, Eskom. Power not required by us over peak times is diverted to more than circa 5 200 households around the country as we switch over to our energy centre (Utilising natural gas as an energy source) to power the Johannesburg CBD Campus.
- We also received recognition for our utility bill management process during 2013 and installed 189 meters in various sites across Africa.

In total, our energy consumption was 420,4GWh in 2013, down more than 7% from our baseline of 453,7GWh in 2012.

In South Africa we set up a commercial agreement with the national utility, Eskom, to assist the country during hours of peak electricity usage by increasing the power generation at our Johannesburg energy centre to cover our head office operations allowing the national grid power, the equivalent of 5 200 households, to be redirected elsewhere.



During 2013, we installed the world's largest LED display on top of the Absa Towers Main building. To reduce the environmental impact of this project, we proactively offset the carbon emissions associated with the sign (3 000 tonnes CO₂e) through the installation of a 400kWp photovoltaic plant in our Absa Towers North building. We also introduced a domestic solar geyser replacement programme to facilitate energy and cost savings for our customers and colleagues.

Travel

In 2013, we improved the measurement of our travel footprint, including flights, car rentals, company cars, and employee vehicle usage for business. While we did experience an increase in travel during the year, this was primarily related to the Barclays Africa consolidation and associated travel across the continent.

Paper, waste and water

We continue to implement various initiatives to reduce our use of paper (such as double-sided printing, electronic distribution of internal management reports). In South Africa, paper consumption decreased over 18% to 1771 tonnes from 2 182 tonnes in 2012. While we will continue to work to reduce our dependency on paper in the workplace, we are nonetheless pleased to see a 14,7% increase in our total paper recycling.

The installation of water meters has been deferred to 2014 to allow us an opportunity to identify a cost-effective means to measure water consumption.

Future priorities

- To finalise the interactive online training on environmental and social risk in lending and begin targeted implementation.
- Continue to implement further programmes to meet our updated carbon footprint targets. These will include: property consolidation, in Sandton and Auckland Park; refurbishment of Absa Towers North (including transforming the existing retail branch into a "Green branch"); and building a 1MWp solar voltaic plant at Pretoria Campus.
- Conduct a water, waste and paper planning exercise at our most high-impact sites and begin to implement mitigation initiatives

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

Why is this important?


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.

Introduction

Transparency is essential if stakeholders are to gain a clear understanding of the value that Barclays Africa contributes to the communities and societies in which we operate. This requires clear communication of our approach to policies, reporting on our performance, our engagements with government and other stakeholders, our tax contributions and other 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 approach to integrated reporting

Our integrated report suite, published annually, serves as the foundation of our transparent communication with stakeholders. Through these reports, we provide commentary on our strategy, governance as well as our performance against our balanced scorecard: Customer and Client, Colleague, Citizenship, Conduct and Company. We have taken direction from the International Integrated Reporting Council and the latest Global Reporting Initiative G4 guidelines and strive to follow the trend of focusing our reporting on only the most material issues while providing a balanced view of our performance. In doing so, 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. Our print integrated report is our primary reporting vehicle, however online disclosures provide our stakeholders with additional information including consolidated and separate financial statements, risk management report, our citizenship report, environmental review and broad-based black economic empowerment review. Additional sustainability information can be accessed via the Global Reporting Initiative index.

 For more information on the process we follow to derive our most material issues, refer to 'Material issues', pages 7 – 11 of our 2013 Integrated Report.

We were recognised by the Association of Certified Chartered Accountants for Absa Group's 2012 integrated report as the best integrated report in the financial services sector. In the EY Excellence in Integrated Reporting Awards, we were ranked as Excellent (only 28 companies in the JSE top 100 companies received this accolade) and received a merit award for business overview disclosures. While we

are happy with our progress to date, we recognise that the process of integrated reporting continues to evolve and thus so will our disclosures.

Tax transparency and reporting

We have a fiduciary duty to our shareholders to manage our tax affairs responsibly, and we recognise that a balance is required across the needs of our different stakeholders in determining how we manage these affairs.

All transactions we enter into, or advise our clients on, support genuine commercial activity. A global strategic review identified a need to re-define and articulate our approach to taxation within the framework of our new Purposes and Values. As a result, in 2013 we developed and published a new set of tax principles that set higher standards for tax planning activities, which support the future commercial activities of the Group or our clients.

We ensure that all transactions we undertake are fully compliant with relevant tax laws wherever we do business. We acknowledge that tax influences business decisions, as is the case for most large multinational groups. We have a duty to stakeholders to make the right choices, provided there is genuine substance to the activity we conduct in each country, in line with our tax principles.

We welcome constructive debate on taxation policy, as the payment of tax is an important element of the overall economic contribution that responsible banking groups can make. We believe governments should work together to adopt a consistent global approach on tax reporting, that establishes disclosure requirements and thresholds which are proportionate. Any such requirements need to remain focused on the ultimate objectives, both for governments and for companies: clear and consistent tax policy, accountability, transparency and the fight against corruption.

Taxes paid

One measure of our contribution to society is through the total amount of tax we pay each year on our activities. We paid R5 910 million of tax in 2013 relating to our own business, including R5 030 million on our income and profits. This excludes tax collected on behalf of governments from payments made to customers, clients and employees, such as Pay-As-You-Earn and recoverable VAT. In 2013, Barclays Africa collected R3 932 million of such taxes on behalf of governments.

Our Board is committed to ensuring that the Group's contribution to society through the taxes that it pays is meaningful and morally acceptable. It does this by self-imposing minimum targeted effective tax rates and cash tax rates on its main banking operation in South Africa. These minimum rates are adhered to strictly and have been comfortably exceeded on average over the past three years.

Many commentators compare the corporate income taxes paid in a year, in a specific geography, to the profit generated in that geography as a means to test if the tax paid is fair. However, such a direct link between profits and taxes paid in any given year is not accurate.

The tax due on profits generated within a calendar year is often paid across multiple years, meaning that taxes paid in a given year do not necessarily relate to that year's profits. In addition, tax law in most jurisdictions allows losses to be carried forward to reduce future profits. As a result of these and other factors, the distinction between accounting profits and taxable profits is an important one.

The tax we pay is an important measure of our contribution to society however, for the reasons noted above, should not be compared to our regional consolidated profit figures that we report under international accounting standards. The accounting tax charge, being the amount of tax accrued under those international accounting standards, is the appropriate tax amount to compare to regional consolidated profit before tax. In our case, the tax charge of R5 222 million in 2013 is the relevant amount to be compared to the profit generated of R18 096 million in 2013 giving an effective regional tax rate of 28,9 %. For a large multinational group like Barclays Africa, there are many influences on the accounting tax charge which can cause it to vary greatly relative to accounting profits and result in an unexpected effective tax rate.

Lobbying disclosures

We recognise that we have a responsibility to engage with policymakers, including governments, regulators and industry groups. 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.

Political party donations

Barclays is politically neutral and does not participate in party political activities or make party political contributions. Historically in South Africa, our democracy support standard governed how we support political parties represented in the National Assembly and accordingly, parties that have three or more seats in the National Assembly qualify to benefit from this programme. In 2013, we contributed R2,5 million to political parties, however, based on an extensive review, this programme will be discontinued.

Trade associations

Barclays Africa is 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

Why is this important?

We must ensure that problems at any one individual bank never again pose a significant threat for the entire financial system. Regulatory authorities around the world are putting in place the powers, tools and capabilities to allow any institution to fail without negatively impacting the economy. The term they use for this is 'resolution'.

Introduction

The impact of bank failures worldwide, as a result of the financial crisis, emphasises the need for a co-ordinated approach to banking reform. There is still much work to be done but significant progress has already been made to ensure a safer and more robust banking system.

Our approach

Banks have taken significant steps to strengthen their capital ratios and increase their liquidity, to better prepare themselves for future volatility. As a result, the banking sector is more resilient today than it was just a few years ago.

During the financial crisis of 2008 to 2009, national and international regulators instituted a range of new tools to reduce the likelihood and minimise the impact of bank failures on the economy, and the South African Reserve Bank joined the global regulatory reform. Barclays Africa (then the Absa Group) developed a recovery plan to better position the Group to respond to severe stress; it was presented to the South African Reserve Bank during 2013. Going forward, we will continue to build on this recovery plan and align it to our new Barclays Africa structure.

Contributing to growth



- The way we do business
- **Contributing to growth**
- Supporting our communities

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

Why is this important?

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.

Key performance indicators

	2013	2012
New and renewed lending to households (R billions) ¹	25,38	N/A ⁴
Affordable housing – volume of new loans extended (R billions) ²	1,6	1,6
New and renewed lending to small and medium enterprises (R billions) ³	1,89	N/A ⁴
Financing raised for businesses and government (R billions)	80,1	N/A ⁴

Notes

- ¹ South Africa mortgage lending only – excludes private bank and wealth clients.
- ² South Africa only.
- ³ South Africa only – balance sheet movement year-on-year.
- ⁴ Reporting on this metric began in 2013.

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.

Generating value for households and businesses

We remain committed to providing sustainable and responsible finance solutions. Increasing access to financial services is important for sustainable progress in Africa.



We continue to support the entry-level market by:

- introducing relevant and cost-effective products and services;
- innovating our delivery channels to make banking easier and to extend the reach of our services;
- providing consumer education to improve financial literacy; and
- empowering customers as financial consumers.

Our goal is to provide customers with the most convenient channels for our full range of services. We believe competitive advantage will be driven by simplicity, cost effectiveness, convenience and security. In South Africa this approach was met with notable success:

- Our in-store banking service at over 1 000 merchant partner sites allowed customers to deposit and withdraw money, check balances, obtain mini-statements and buy pre-paid airtime. Transactions totalling more than R72 million have been processed through this channel.
- Over 60 000 new accounts were opened through more than 300 paperless tablet devices. The new technology has reduced the processing time for new accounts to as little as 10 minutes and enables customers to receive their cards immediately.
- Money transfers through our PEP stores partnership commenced, with over R34 million worth of transactions being processed from PEP stores to Absa ATMs in South Africa.
- R1,3 billion was transferred through our CashSend money transfer system, up 33% from 2012. This service enables customers to send money to anyone in South Africa through their cellphone even if they don't have a bank account or bank card.
- Cellphone banking continues to grow. During the year, more than 4,8 million customers took advantage of this banking channel with transaction volumes exceeding R18,2 billion².

Note

- ² Cellphone banking customers include Wireless Internet Gateway (WIG) and Cellphone Banking Lite (CBLite) and rand value per annum includes financial transactions for WIG, WAP and CBLite.

Shesha Gamification initiative

We aim to empower our customers to make better banking decisions. In this spirit, we introduced a unique game-based way of teaching our customers about our channels, products and services. Through a series of games, we aim to help customers understand how to use our range of branchless self-service channels. By migrating to these channels – such as cellphone balance enquiries and ATM cash deposits – they can reduce their own cost of banking, as well the bank's cost to serve.

The first game, the 'Shesha game from Absa – Everyday banking' was piloted in South Africa and encouraged participants to answer three questions to stand a chance of winning an instant cellphone airtime voucher and to be entered into a weekly and grand prize cash draw.

Game participation and uptake of branchless channels has been greater than expected. More than 70 000 customers took part in the game and the number of ATM deposits, as well as balance enquiries via cellphone banking has risen substantially during the game and after.

A major focus for us is to drive new solutions that will deliver a net positive benefit to society while still generating business value.

Our Barclays Motshelo account developed in Botswana was recognised in our 2013 Citizenship awards. This product was developed for informal and household savers and recognises that group savings is an ideal and easier savings option towards achievement of a common goal. The Motshelo account has proven very popular, registering more than 1 500 accounts (15 000 customers) at a value of R20 million since it launched.

The social innovation facility

Barclays social innovation facility, launched in 2012 with a £25 million commitment, exists to accelerate the development of commercial solutions that directly address social challenges. The investments in Africa include a partnership with GSK that aims to remove financial barriers to healthcare access while supporting small business development and job creation in Zambia. By combining our skills, expertise and resources, we hope to tackle the challenges of last mile delivery and create a model that could be scaled across Africa to help more people access affordable healthcare. In Uganda we provide support for a mobile financial services incubator which aims to develop innovative technologies and financial products that are relevant and accessible to disadvantaged communities.

Affordable housing

In South Africa, the demand for affordable housing stock continues to outstrip supply. Our affordable housing business unit addresses the housing challenges faced by consumers who earn less than R17 600 per month. Our Klarinet Integrated Housing development is currently underway in Mpumalanga and by the end of 2013, 1 527 subsidy units have been transferred to beneficiaries. A further 745 are under construction and due for completion in March 2014. In 2013, we also provided over R1,6 billion to finance affordable housing for more than 5 000 individuals and in doing so grew our loan book 11% to R 9,4 billion (2012: R8,5 billion).

Support programme for public housing practitioners


We are working in partnership with the French Development Agency to provide finance and expertise for the support programme for public housing practitioners – a training programme for municipal housing officials. The programme offers four courses:

- Key issues in housing strategy
- Managing low-cost housing projects
- Public housing for planners and engineers
- Introduction to housing policy

Since 2008, 500 public officials have been trained in 35 courses with pass rate exceeding 96%.

Generating value for businesses and governments

We help to generate and distribute value in society. Across the continent in 2013 Barclays Africa raised over R 80,1 billion for business and governments.

 For information regarding how we serve business and governments see the business model on page 5 of our 2013 Integrated Report.

We provide financing and expertise to important capital projects in the countries where we operate. 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 co-operation. 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. During the year, employees from the Northern Cape province completed the training.

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 co-operative initiative addressing water and sanitation delivery in South Africa. As the agricultural sector is traditionally a major consumer of water and during the year, 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

Banks play a critical role in enabling the flow of capital towards environmentally or socially beneficial activity and many of our business lines are actively involved in delivering and supporting these types of projects. In 2013, we participated in the signing of the power purchase and implementation agreements for renewable energy projects, which will open up opportunities for private, independent power producers in South Africa to develop large-scale generation projects. Our involvement has included helping to resolve bankability issues

related to the power purchasing agreements; introducing international investors to the market; and hosting events bringing together investors, government, Eskom and developers.

We have supported the transition to cleaner energy and will provide R10,8 billion of debt funding to six 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 represent 43% of the projects awarded under the government's plan. They have been designed to benefit local communities and will impact many businesses during the various construction phases.

Deals of the year 2013

Two Barclays-led transactions that are helping to give South Africa's electricity supply a boost have just been named Deals of the Year for 2013.

A GDF Suez-led consortium will develop two independent power plants to help alleviate South Africa's future peak power demand. The project involves the financing, design, construction, operation and maintenance of peaking power plants at Dedisa in the Eastern Cape province and at Avon in the KwaZulu-Natal province. As South Africa's first greenfields thermal power project by an independent power producer, the 1 005MW deal has just been named 'Overall African Deal of the Year' and 'African Power Deal of the Year' by *Project Finance* magazine. The project has a value of R9,7 billion (US\$905 million), with Barclays acting as a co-ordinating mandated lead arranger, senior lender, account bank, hedge co-ordinator and hedge provider on the transaction.

Elsewhere in the Northern Cape province of South Africa (near Upington), an ACWA Power-led consortium to develop and fund the 50MW Bokpoort concentrated solar power renewable energy project has also picked up an award. *Project Finance International* magazine has named the project 'African Renewable Energy Deal of the Year'. The renewable energy project has a value of R5 billion (US\$470 million), with Barclays acting as a mandated lead arranger, senior lender, account bank, and hedge provider on the transaction.

Both projects will not only add potential capacity to the grid but will also create permanent employment opportunities. The Bokpoort project will inclusively feature the world's largest thermal storage for a concentrated solar power project (9,3 hours), offsetting power demand in South Africa during peak power periods.

Future priorities

- Continue to implement and investigate novel measures that will help us meet our citizenship commitments related to lending to households, small and medium enterprises, other business clients and governments.
- Support the growth of inclusive banking by:
 - Expanding remote account opening and in-store banking services as well as expanding product and service offerings in both channels
 - Increasing the number of branchless banking access points for the under-banked.
- Continue to deliver affordable housing units through our Klarinet development.
- Continue to explore the opportunities to accelerate projects by leveraging off the social innovation facility.

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

Why is this important?

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.

Key performance indicators

	2013	2012
Number of SMEs supported with seminars, tools and training	35 576	N/A ¹
Number of entrepreneurs exposed to international markets	30	N/A ¹



Note

¹ Reporting on this metric began in 2013.

Our approach

We recognise that starting and growing business requires more than funding alone. As a result, our approach to enterprise development is founded on three pillars:

- **Access to markets:** Creating opportunities for SMEs to access new markets through multinational corporate value chains and international trade.
- **Access to business support:** Building the capacity of SMEs by providing access to programmes that develop entrepreneurship and business skills.
- **Access to alternative funding:** Providing access to non-traditional funding solutions that leverage the business opportunities SME clients secure in corporate value chains.

Supporting SMEs with seminars and training

In 2013, we provided business advice and support to more than 25 000 individuals through a series of seminars, conferences and workshops across South Africa. These were delivered by strategic partners such as the National Small Business Chamber and included topics such as 'Think Beyond a Job' – a workshop held in Johannesburg, Pretoria, Durban, Port Elizabeth and Cape Town to motivate existing and aspiring entrepreneurs in their business journeys. A total of 2 273 entrepreneurs attended the workshops nationally, approximately 85% of whom were existing business owners. We also supported over 9 500 individuals with small business growth tools.

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

- The Tshepo 10 000 programme – a partnership with the City of Tshwane to develop the skills of 10 000 young residents of the city.
- The SABMiller Taverner Development Programme – a programme providing support to 1 200 unbanked and underbanked taverns. We developed remote account opening technology that allowed the bank to open investment accounts for the taverns at their business premises.
- The construction of 2 500 fair-priced township retail outlets in partnership with MassCash.
- The support of SMEs within Absa Financial Services' value chain through the R33,5 million Contractor Development Programme. We work with approved service providers to settle building insurance claims including, but not limited to: plumbing, electrical work, building repairs, carpentry and painting.

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 Procurement 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 2013, the portal had more than 20 000 SMEs, 3 000 active buyers and 50 corporates registered. More than 16 000 tenders were advertised during the year.

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. Key themes covered in 2013 included women in business and youth.

Centres of entrepreneurship

These centres provide services to entrepreneurs and SMEs, strengthening their job-creation potential, productivity, sustainability and competitiveness. They provide access to non-financial support in the form of advice and other related services. Some of the business development services include:

- Workstations and meeting rooms with teleconference facilities
- Advisory services on enterprise development offerings such as the Procurement Portal, procurement finance, developmental funding and equity funding
- Workshops on creating business plans, entrepreneurial skills development, financial literacy and business principles
- Provision of network platforms through hosted events, training workshops and seminars.

In 2013, these centres hosted 124 training sessions, more than 200 networking and information-sharing events and helped over 690 entrepreneurs to register their businesses.

Absa Centre of Entrepreneurship

On 20 November 2013, we officially opened the doors of the flagship Absa Centre for Entrepreneurship in Newtown, Johannesburg. The centre represents an important partnership between Absa Bank, the City of Johannesburg and several other stakeholders.

The centre was officially opened by the Executive Mayor of the City of Johannesburg, Councillor Parks Tau, and the chairperson of Barclays Africa, Wendy Lucas-Bull. To date, this centre has hosted 377 walk-in clients, provided non-financial support training sessions to 288 people, hosted four events and provided meeting room facilities on nearly 80 occasions.



Future priorities

- Improve access to non-traditional lending for SMEs by leveraging the existing Absa Development Fund of R750 million (2013 to 2015) through funding partnerships ie guarantee funds and equity partners.
- Export the enterprise development customer value proposition across our operations. The customisation and execution of the value proposition will be managed by our in-country colleagues.
- Support inter-Africa trade by using the business support centres in each country as points of destination for networking and business advisory services.
- Deliver business support and advisory services through electronic and mobile channels.

8. We will improve youth employability

Why is this important?

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

Key performance indicators

	2013	2012
Learnerships	720	600
Bursaries and sponsorships provided	123	117
Graduate programmes – Pan-Africa	180	99

Our approach

Youth unemployment is a global issue. We take our responsibility to young people seriously, helping to equip them for the workplace and giving them the necessary skills for success. Addressing youth unemployment requires systemic intervention, so our approach is founded on offering opportunities at Barclays while working with government and other stakeholders to support wider employability initiatives. Our focus is on equipping both employees and external individuals for successful careers in the financial services sector through the following programmes.

Learnerships

These are geared towards building a skills and talent pipeline for entry level roles; we have provided 720 learnerships and spent in excess of R56 million on this.

Bursaries and sponsorship

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. We have partnered with government institutions such as the Department of Science and Technology to provide funding to develop the much needed scarce and critical skills. In 2013, we spent more than R25 million on these programmes.

Pan-Africa Graduate Programme

In 2013, we spent in excess of R18 million on this programme. It seeks to attract, recruit and develop high-potential post-graduates into scarce and critical skills roles across Africa.

Future priorities

- Review our programmes for greater impact.



Preparing for the future

Named the top performing graduate for 2013 in the Pan-African Graduate Programme, Cyprian Moloto is enthusiastic about the programme's value for graduates and the organisation. Armed with a masters in quantitative risk management from North West University, Cyprian is one of the 179 graduates from different countries who started their careers at Barclays Africa as part of the graduate programme last year.

The programme comprised three summits, group and individual assignments, presentations from various experts and motivational talks by some accomplished achievers such as Olympic swimmer Natalie du Toit, adventurer Sbusiso Vilane as well as Phumzile Mlambo-Ngcuka, the former South African Deputy President, who is now the Executive Director of UN Women.

The programme encourages participants to discover more about themselves as well as what they can give to the organisation. Working with people from different backgrounds and geographies fostered cross-country collaboration ensuring deeper understanding of our presence in countries and better appreciation of the complexities and opportunities.

Cyprian believes that one of the biggest values of the programme is its ability to prepare young graduates to be quickly assimilated into the organisation. "It fast tracks the individuals to better understand the bank so they can start adding value much quicker than an individual who has not had the opportunity. It also allowed me to create networks and even friendships that I normally wouldn't have made."

The programme has also been helpful in his job as Assistant Vice-President, Credit Risk Modelling (Wholesale Credit), providing him with a broader view of the organisation. "When you work in the back end of any organisation you tend to lose track of the fact that it's really all about the customer," he says.

Supporting our communities



- The way we do business
- Contributing to growth
- **Supporting our communities**

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

9. and 10. We will invest in community programmes and help build the enterprise employability and financial skills of disadvantaged young people

Why is this important?

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

	2013	2012
Total socio-economic development spend (R millions)	126,1	104,7
South African socio-economic development spend (R millions)	103,9	91,5
Financial literacy initiatives – numbers of consumers reached ('000) ¹	116	123,8
Total employees supported across volunteering programmes	14 064	12 342
Number of work hours to support volunteering	44 395	59 532
Number of personal hours to support volunteering	52 426	34 978

Notes

¹ This measures only face-to-face initiatives in South Africa. Based on the amended criteria of the FS Codes, in 2012 we re-focused to reach a wider audience. Thus there has been an increase in awareness beneficiaries and drop in face-to-face beneficiaries.

Our approach

Through our community investment, we develop and invest in global, regional and local programmes that enable disadvantaged youth to develop the skills they need to fulfil their potential. Our interventions focus on building enterprise, employability and financial skills, with a strong preference for programmes that also create jobs. They are often implemented in partnership with public benefit organisations. In 2013, our total community investment in Africa was R126,1 million. Our ambition is to positively impact young lives. We reached over 280 000 young people across our Africa during the year.

Financial literacy

Financial literacy is a critical life skill and, as a financial services business, we are uniquely positioned to improve financial literacy levels in society, particularly among previously disadvantaged communities and unbanked individuals. These interventions embed valuable skills and practices in individuals, while also creating an emerging market and opportunities for potential growth. In South Africa, we have a regulatory requirement to deliver consumer education to these individuals. Since 2007, we have spent over R90 million on consumer education and reached over 18 million individuals.

In 2013, our face-to-face initiatives reached over 116 000 consumers, including nearly 57 000 school children through the 'Teach Children to Save' campaign. In addition, our awareness initiatives reached 100 000 consumers through educational articles published in the *Consumer Fair* and millions more were reached through information displayed on soccer pitches and live television during Absa Premier Soccer League games and through interaction with our customers via SMS.

Volunteerism

Our employees are encouraged to invest their time, skills and money in community initiatives of their choice through our payroll giving, matched giving and employee volunteering programmes. Employees mobilise behind specific causes, for example: global campaigns such as Nelson Mandela International Day, Make a Difference Day and local campaigns such as Casual Day. In 2013, over 14 000 employees volunteered their time and expertise. This represented over 30% of our workforce and encompassed more than 44 000 work and over 52 000 personal hours. Over R1,5 million was contributed to communities through our matched giving programmes.

A key challenge within our reporting time frames is the lag between programme investment and measurable impact on young beneficiaries. In 2013 a significant number of our investments were made in the final quarter of the year, the impact of which will only reflect in our 2014 reporting.

Some degree of lag is unavoidable, however, a key focus for 2014 and 2015 will be transitioning the investment timing within our community investment portfolio, ensuring the bulk of our funds are deployed and productive within the first two quarters of the financial year.

Future priorities

- To scale and replicate proven programmes and models to increase our impact.
- Double our face-to-face financial literacy interventions over the next two years, concentrating on youth to instil positive financial management behaviour.

Banking on change

Enterprise and financial skills

Banking on change, a Clinton Global Initiative Commitment made by Barclays, Care International UK and Plan UK, gives people in some of the poorest communities the skills to take control of their financial future. Through informal savings groups, they can manage their money effectively, increase their assets and invest in their own small business, as well as afford better access to education and healthcare. The programme operates in Ghana, Kenya, Tanzania, Uganda and Zambia and aims to link 5 000 groups to formal banking services by 2015. More than 50 000 young people have received financial skills training since the launch of phase 2 of the programme in 2013.

Former US President Bill Clinton visited a village savings group in Tanzania and saw first-hand how members had benefited from banking on change. In addition to gaining financial skills, many community members took part in small business training, giving them skills and knowledge to establish and sustain their own micro-enterprises.



Zainabu's story

Banking on change helped Zainabu Rashid, 22, save up enough money to rent her hair salon in Tanzania. Through the savings group, she was able to take out a loan and buy the equipment she needed. She said, "I'd always dreamt that I would have my own salon and even my own chain of two, three or four and employ other people to work in them. Now I believe that could be possible. I feel that I am now the mistress of my own destiny".

TechnoServe, South Africa enterprise skills

We have invested R4 million in TechnoServe since 2012. The partnership works with enterprising people to promote the growth of South Africa's SME sector through agri-enterprise programmes. In addition to providing technical and enterprise training, it creates tangible business opportunities for farmers and other entrepreneurs, linking them to finance and markets. TechnoServe is currently working with 100 agri-enterprises with the aim of creating 300 sustainable jobs. Barclays employees also provide mentoring support to the farmers, with a particular focus on strategic and financial planning.

Beneficiary story – Ephraim Tsatsi

With just 10 hectares of land and no access to funding or advice, Ephraim Tsatsi struggled as a self-sufficient farmer. He began working with TechnoServe in March 2012 and quickly gained practical advice to help run his business more efficiently. "The commitment of the advisers has really helped motivate me and the AgriPlanner training also contributed a lot in terms of improving my skills in farming. I employ people from my community and they also buy vegetables from the project. This project will benefit me with marketing the produce we grow, production support from Absa and technical and business support from the TechnoServe programme. I can only see myself growing from this."



Junior Achievement Mascareignes – job shadowing – Mauritius

The world of business can be intimidating for school leavers. So in Mauritius we initiated the Job Shadowing Project in conjunction with Junior Achievement Mascareignes (JAM) to benefit 500 young people. JAM believes that education is a long-term investment and this project is designed to prepare young people for their working lives by imparting valuable experiential entrepreneurial training.

As part of this mission, a group of about 80 enthusiastic students shadowed Barclays employees over two days, spending valuable time in the Managing Director's office as well as the Human Resources, Marketing and Corporate Affairs Departments. "I have learned a lot about banking", commented Vireshwaree Tonoo "and now I know in which direction to pursue my career."



The students were taught aspects of financial literacy, exposed to the financial world and given an introduction to the basics of banking. More importantly, they were exposed to good business ethics, and given a greater sense of appreciation about the challenges and opportunities of the world.

Seychelles Alliance for Women's Development (WASO) – Business training centre

Our support for WASO helps them to empower economically disadvantaged women with entrepreneurship and employability skills so as to reduce dependency on social welfare and stimulate economic development in the local community. For many women, setting up their own business is the best chance they have of finding work and becoming financially sustainable.

The project objectives are to:

- Promote entrepreneurial activity and the participation in economical development.
- Offer a six-month training and mentoring programme.
- Provide facilities that will nurture young (start-up) entrepreneurs during their early months.
- Conduct financial capability workshops designed to strengthen their knowledge and confidence, reduce their financial stress and increase their chances of achieving their financial goals.
- Encourage participants to take personal responsibility for the acquisition and longer-term development of employability and enterprise skills.

23 women were trained in stained glass art, sewing and floral design over the last six months of 2013. Some of the women had been previously employed but were unable to continue due to various reasons. Learning these new skills to produce products such as photo frames, jewelry and fashion accessories out of stained glass, they are able to derive an income to support themselves.

Other notable projects:

- Our sports development programme, Spaces for Sports, has an increased focus on employability programmes for young people. In 2013, 360 coaches were upskilled to train over 32 000 young people in Zambia and South Africa.
- In South Africa, the Small Project Foundation focuses on training teachers and facilitators to provide young people with the basic skills required for post-school employment. 21 000 people were trained resulting in 1 200 individuals securing job or internship placements.
- Project Literacy, an adult and youth education and training initiative to increase financial literacy of participants, trained over 1 200 beneficiaries with 141 finding employment thereafter.