

Barclays PLC
Citizenship
Report 2010



 **BARCLAYS**

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Cover image:

Barclays is the exclusive sponsor of Barclays Cycle Hire which was launched on 30th July 2010 in London. It already sees more than 5,000 cycles available in central London, with nearly 3 million journeys completed. The scheme makes a positive contribution to society in London and partners Barclays with a sustainable and environmentally friendly mode of transport.

Highlights

Barclays is a major global financial services provider engaged in retail banking, credit cards, corporate and investment banking, and wealth management with an extensive international presence.

Our vision of Citizenship begins with sound business principles and practices. It extends to providing financial solutions to improve the lives of our customers and clients today and helping them to invest in ways that contribute to sustainable growth for tomorrow. It also includes supporting the communities in which we operate by giving back time, expertise and resources.

£43bn **106,000** **£6.1bn**

Gross new lending to UK households and businesses*

Business start ups supported in the UK

Global tax paid
UK tax paid of £2.8bn, including £1.3bn on behalf of employees

£55.3m **83%** **62,000**

Invested in our communities

Of employees surveyed in Group Employee Opinion Survey are 'Proud to be associated with Barclays'

Colleagues involved in volunteering, regular giving and fundraising activities

£1bn **£7bn** **#1**

Committed over the next four years to improving the customer experience

Value of cleantech/clean energy transactions with Barclays involvement

Best Emissions Trader
awarded by Point Carbon in March 2010

*includes £7.5bn arising from the acquisition of Standard Life Bank

Introduction from the Chief Executive

“

When I presented Barclays 2010 full year results in February, I highlighted four key areas of execution on which our senior management team is focused. Citizenship is one of these. While the purpose of this Report is to outline what we achieved in 2010, I want to take this opportunity to articulate what we mean by Citizenship and why it is so important for Barclays

”

Bob Diamond, Chief Executive



At its most fundamental level, Citizenship is about the contribution Barclays makes to the many communities in which we operate around the world.

Contributing to sustainable economic growth and job creation

The most direct contribution we can make as a bank is by providing products and services that help our customers and clients manage their risks, invest for the future and achieve their financial goals. By running a strong, profitable bank we are able to support customers and clients and thereby help foster both job creation and economic growth. That role is especially important today, when the private sector has to drive economic growth as public spending in many developed economies is constrained by the need to control fiscal deficits.

Barclays directly makes a significant contribution to job creation. We employ almost 150,000 people around the world, including 60,000 in the United Kingdom. In 2010 we created 2,000 new jobs, 80% of which were in the UK. Over the last three years, Barclays has also created opportunities for about 3,000 students through our internship program and hired 4,000 graduates in full time positions.

However, we make a much larger impact by helping other businesses prosper and grow. Many of our customers and clients continue to feel the impact of the challenging economic environment of recent years. Our responsibility is clear - to help them build a sustainable financial platform both for their families and for their businesses. By doing this effectively, we will build lasting customer relationships and enable job creation and economic growth, while also generating returns for our shareholders.

Lending is one fundamental way in which we support our clients and customers. We have £500bn of loans and advances extended to our customers around the world, and in 2010 we extended £43bn of gross new lending to households and businesses in the UK alone, including £7.5bn from the acquisition of Standard Life Bank.

While there remains significant political and media attention on bank lending in the UK, our message is clear - we are open for business and committed to lending responsibly. Along with other banks, as part of Project Merlin, we are supporting growth through a variety of initiatives, including additional lending commitments; improvements to our services for small and medium businesses; and contributions to the Business Growth Fund.

Supporting our communities

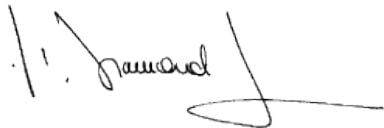
At Barclays we also play a much broader role in our communities beyond our core business activities. I am extremely proud of what we have achieved as an organization and in particular of the commitment shown by so many of my colleagues in donating their time, expertise and resources to a tremendous variety of causes which they feel passionate about.

As an organization, Barclays contributes approximately £55m a year to a range of activities, including both local initiatives and international programmes such as Spaces for Sports and Room to Read. We also encourage our people to give time to causes that they believe in. In 2010 for example, 62,000 colleagues volunteered in support of these causes. Over the last five years, we've enabled more than a million hours of voluntary activity and helped raise over £75m through matched funding.

Conclusion

We've contributed in ways like this for many years because we believe it's the right thing to do. There is always more we can do in this respect and I intend to bring more focus to our activities to not only increase their effectiveness, but also to help our stakeholders better understand the scale of what we do and the positive impact it is having on many communities around the world.

Citizenship is not peripheral to our business, but rather lies at the heart of what we do - which is to employ Barclays unique resources, expertise and people to support our customers, clients and communities. A strong bank plays a critical role in fostering the job creation and sustainable economic growth which underpin a strong community, and this brings benefit to all our stakeholders.

A handwritten signature in black ink, appearing to read 'B. Diamond', is written over a stylized, abstract line drawing that looks like a stylized 'B' or a signature mark.

Bob Diamond

Chief Executive

What we do

We recognise that - as an industry - we have not done a good job of effectively explaining the role of banks in society.

Much has been said about the failings of banks in the past which has prompted a heated debate about the role, scale and usefulness of banks. We set out below the key areas through which Barclays creates value for customers, clients, shareholders and also for the wider community.

Banks are integral to the functioning of modern economies through providing key services that include:

- Offering a safe place to keep and grow savings, collecting deposits from individuals, businesses, institutions and governments
- Transforming those savings into loans to individuals and businesses
- Providing payment systems that facilitate the transactions that make the modern economy work efficiently.

In our corporate and investment banking activities we:

- Lend money and enable companies, banks, cities and countries to raise equity capital and issue debt in the capital markets
- Support clients, like pension managers and investment funds, in making decisions on where to invest
- Provide risk management services to both private and public sector clients to give them more certainty and confidence, from foreign exchange and interest rate risk, to the varying price of commodities
- Offer strategic and financial advice to clients on how to manage and expand their businesses. This might be through a merger or an acquisition, or it might be through the best way to manage their balance sheet, capital or cash flow.

Our strategy

Our business strategy is to deliver superior performance through diversification by business, geography and funding sources, and relentless focus on customers and clients. We manage our performance against a set of key performance indicators that are closely aligned to our execution priorities.

Our execution priorities are:

1. Capital

We are a well capitalised bank. This means we are able to continue lending to and investing in businesses and paying dividends to our shareholders, while still having capital resources well in excess of that required by our regulators.

2. Returns

We have a duty to ensure that we earn adequate returns for our shareholders. Delivering services that meet customers' needs in a profitable way also ensures we can achieve sustainable business growth and allows us to pay dividends to our shareholders, many of whom are pension funds.

3. Income growth

At the heart of creating income is the ability to meet the needs of our customers and clients. The size and breadth of our operations allows us to respond quickly to new market opportunities with customer-oriented solutions that help grow our income.

4. Citizenship

Our Citizenship agenda describes how we intend to ensure that we generate significant economic value by creating jobs and helping economies expand. It is also about supporting the communities in which we work through charitable partnerships and giving back time, energy and resources.

What Citizenship means to Barclays

As one of Barclays four execution priorities, our Citizenship agenda is integral to what we do

Our focus is on contributing to economic growth as best we can and supporting our communities in other ways; we recognise, though, that those endeavours are only valuable if we maintain the integrity of the way that we do business.

The way we do business

We must maintain integrity in the way that we govern and manage our business. Robust controls supported by clear business principles are the foundation for delivering on our Citizenship commitments to customers, clients, colleagues and wider stakeholders.

This covers a broad agenda, from improving the customer experience and complying with relevant regulations through to managing the wider social and environmental impacts of our operations. We are investing in improving our systems and training our people to ensure that we are equipped to deliver on our commitments.

Contributing to growth

We believe that the best way we can support the wide range of stakeholders with an interest in our success is by running a strong, profitable and growing business, which creates jobs and contributes to our communities' economic success. In our view, that is the basis for good corporate citizenship.

Our contribution goes beyond the 147,500 jobs in our own organisation to creating further job opportunities through the support that we provide our customers and clients to help them manage their own money, invest in a new home, start new enterprises, and grow their existing businesses. We also provide assistance to our government clients to support their investment in economic growth and institutional clients to meet the investment and return needs of their clients.

We not only contribute to growth today; we help our customers, clients and other stakeholders invest in ways that will contribute to sustainable growth tomorrow. We provide financing solutions to private and public sector clients that will help address major global challenges, such as climate change.

Supporting our communities

We are committed to contributing to the communities in which we operate through our core business activities and through our community investment programme. We provide products and services to meet wider societal challenges. Examples range from financing of front line UK healthcare facilities to infrastructure projects in sub-Saharan Africa. We also invest in activities above and beyond what our commercial agenda would naturally support. This includes working through our charitable partnerships and giving back time, energy and resources.

Developing our strategy in 2011

We are currently embedding our strategic framework for Citizenship across our businesses as part of our continuous focus on improving our performance in this space. As part of this process, we are developing concrete goals with specific delivery timelines for each of our ambitions. We will also establish a comprehensive progress monitoring framework to consistently assess performance by geography and Business Unit.

How we manage our priorities

Barclays Executive Committee is responsible for managing the execution of our Citizenship agenda.

Progress against our Citizenship priorities is reviewed regularly and formally assessed bi-annually by the Executive Committee. In 2010, specific issues and our overall approach were reviewed by the Brand and Reputation Committee. The Executive Diversity Group met throughout 2010 to discuss Barclays diversity strategy and specific issues around women in leadership.

Barclays uses a robust reporting framework, including key performance indicators, to measure progress across the Group and within each business. We have a network of subject matter experts throughout the organisation who support, monitor and ensure the delivery of our priorities. These subject matter experts are placed as close to our core business functions as possible because we recognise that our business leaders need to own our objectives in order for them to be an integral part of what we do every day. For example, the Environmental Markets team resides within Barclays Capital's commodities business, while our Environmental Risk Management team is a core part of the Group Risk function. Co-ordination of engagement across the Group ensures insights from all areas are integrated into our reporting agenda.

The Group Sustainability team develops the strategy for the Group Executive Committee and reports to the Group Corporate Affairs Managing Director, who is a member of the Brand and Reputation Committee. In 2010, the Group Head of Sustainability presented to the Executive Committee, the Operating Committee and the Brand and Reputation Committee, as well as conducting reviews with regional Corporate Affairs Directors. The Director of Global Community Investment reports into the Community Partnerships Committee, who are responsible for setting the overall direction of our Community Investment programme, ensuring its effectiveness and measuring performance over time.

Citizenship management



Business clusters



Stakeholder engagement

We gain a better understanding of our stakeholders' concerns by listening to our customers and shareholders and working in collaboration with governments, industry and the non-profit sector. This allows us to address the issues that are of the greatest importance to our business and to those we serve.



Stakeholder dialogue is primarily driven by colleagues in our Business Units, who are responsible for building strong, direct stakeholder relationships and feeding the insights they gain back into the business. We aim to strike a balance between regionalised and Group-level engagement, foster greater collaboration and be responsive to local issues and market conditions. For example, in response to the rise in unemployment in Spain, Barclays Foundation, a non-profit organisation owned by Barclays Spain, has teamed up with regional governments and local industries to run a programme designed to help integrate socially excluded people into the labour market.

Focus groups

We use information from a wide range of sources to identify the issues that are important to our stakeholders. For example, in 2010 we commissioned a second round of reputational research into the views and perceptions of banks and the financial services industry in the UK, US and Spain.

We also use surveys, in depth interviews and focus groups to stay on top of emerging trends and track stakeholder opinions as competitive and regulatory landscapes evolve. In 2010, we conducted several focus groups on specific areas such as diversity, financial difficulty, our sustainability strategy and our climate action programme. The results were invaluable feedback for improving the delivery of our programmes.

Examples of how our decisions have been influenced by different stakeholder groups throughout the year are evident below and throughout the remainder of this Report. Case studies of specific engagement are available at www.barclays.com/citizenship.

Customer and clients

Engagement mechanisms	Issues identified	Barclays response
– Direct feedback through customer service teams	– Enhance service levels	Enhance service levels – Appointed a senior executive accountable for ensuring strong oversight and governance of our complaints processes and commenced a series of initiatives to identify the root causes of complaints and rectify them on a sustainable basis
– Customer engagement	– Services for those experiencing financial difficulty	
– Advice forums and training	– Selling and lending practices	
– Complaint management centres	– Cost and availability of credit	
– Customer surveys	– Ability to save and create wealth	
– Participation in multi-stakeholder forums to support business.	– Financial crime.	
		Services for those experiencing financial difficulty – Offered product and advisory services for Small and Medium Enterprises (SMEs), including CreditFocus , a free credit checking service for UK customers, and dedicated support teams to help personal customers and SMEs at the earliest sign of difficulty
		– Invested over £3m to help ensure UK consumers and small businesses have access to free debt advice
		Selling and lending practices – All marketing is completed in line with our Treating Customers Fairly outcomes including ensuring that products and services are marketed to meet the needs of consumer groups and targeted accordingly. Consumers are also provided with clear information and kept informed before, during and after the point of sale
		Cost and availability of credit – Participated in government lending schemes
		– Increased gross new lending in the UK to £43bn (including £7.5bn from the acquisition of Standard Life Bank)
		Ability to save and create wealth – Introduced new customer and client loyalty schemes such as Barclaycard Freedom
		Financial crime – Enhanced our compliance programmes, including the further development and implementation of our Group Sanctions Policy and instigated a comprehensive Anti-Bribery and Anti-Corruption project to review existing policies and procedures and deliver an enhanced control framework.

Consumer groups

Engagement mechanisms	Issues identified	Barclays response
– Bilateral consumer group engagements	– Access to finance – Financial capability	Access to finance – Created an Entry Level and Inclusive Banking unit in Absa
– Partnerships with the money advice sector.	– Customer support – Lending practices – SME support.	– Developing the supply of inclusive products and channels such as Village Savings and Loan Associations in Africa – Leading supporter of the community finance sector in the UK, launching the Barclays Community Finance Fund – Involved in shaping the UK financial inclusion agenda.
		Financial capability – Launched our flagship UK financial capability programme, Barclays Money Skills .
		Customer support – Participated in research to help understand how to respond to vulnerable and financially stressed customers, e.g. Royal College of Psychiatrists.
		Lending practices and SME support – Offered product and advisory services for SMEs – Absa's Enterprise Development Centres helped nearly 5,000 new businesses in 2010.

Employees

Engagement mechanisms	Issues identified	Barclays response
– Employee Opinion Surveys	– Inclusive culture – Training and development	– Developing internal diversity metrics – Enhanced HR processes
– Senior management presentations	– Pay and benefits	– Launched retirement education platforms for colleagues
– Champions networks	– Restructuring	– Introduced Absa Disability Coaching Programme
– Strategy workshops	– Operational performance	– Our Group Employee Opinion Survey showed an improvement to 83 per cent on those 'Proud to be associated with Barclays.'
– Social Media	– Pensions.	
– Graduate events and career fairs.		

Shareholders

Engagement mechanisms	Issues identified	Barclays response
– One-to-one and group meetings with institutions and analysts	– Capital	Capital – During 2010, the Group's Core Tier 1 ratio improved 0.8 per cent to 10.8 per cent, largely through £3.6bn of attributable profits, demonstrating the Group's ability to generate capital organically.
– Results and strategy presentations with analysts and investor community	– Returns	
– Annual General Meeting	– Income growth	
– Surveys of institutions	– Citizenship.	Returns – Return on average shareholders' equity (RoE), increased from 6.7 per cent to 7.2 per cent. RoE indicates the returns generated by the management of business based on the allocation of shareholders' equity to each component business. Achieving target returns demonstrates the organisation's ability to execute its strategy and align interests of management and shareholders.
– Socially Responsible Investment engagement.		Income growth – Group total income increased 8 per cent to £31.4bn. Increasing the international diversification of our income helps to reduce risk by providing exposure to different economic cycles and is demonstrated by our ratio of non-UK to UK business income which increased from 55 per cent in 2009 to 60 per cent in 2010.
		Citizenship – Participated in the Carbon Disclosure Project , Business in the Community Corporate Responsibility Index , FTSE4Good , JSE Ltd SRI Index and Dow Jones Sustainability Index – Invested £55.3m in the communities in which we operate.

Suppliers

Engagement mechanisms	Issues identified	Barclays response
– Financial Services Purchasing Forum (FSPF)	– Prompt payment	Prompt payment – Signed up to Prompt Payment Code initiative to tackle late payments and increased payments made on time up from 70 per cent to 86 per cent as at year end.
– Participating in Working Groups	– Sustainable business practices	
– Bilateral meetings with suppliers	– Diversity and inclusion	
– Business conferences.	– Climate change (scope 3) requirements.	Sustainable business practices – Providing our suppliers with guidance on implementing sustainable business practices. Diversity and inclusion – Held diverse candidate slates - shortlists of male and female candidates - workshops with suppliers and formed internal diverse candidate slates working group. Climate change requirements – Formed a Greenhouse Gas emissions working group with other members of the Financial Services Purchasing Forum .

Government and regulators

Engagement mechanisms	Issues identified	Barclays response
– Meetings/correspondence with Members of Parliament and Ministers	– Financial services and regulatory reform	Financial services and regulatory reform – Provided comprehensive response and engagement on reform in global forums as well as the UK, EU and US.
– Responding to consultations	– Independent Commission on Banking and structural reform	Independent commission on banking and structural reform
– Representation with trade bodies and consumer groups	– International competitiveness	– Keep working closely with ICB; currently considering its detailed Interim Report and will respond to consultation. For more information, see 2010 challenges .
– Policy and other scheduled meetings.	– Consumer issues.	International competitiveness – Working with governments and regulators to secure an international level playing field on regulatory issues.
		Consumer issues – Seeking to ensure regulatory changes to enhance the customer experience.

Charities and Non Governmental Organisations (NGOs)

Engagement mechanisms	Issues identified	Barclays response
– Regular meetings and discussions	– Environment and climate change	Environment and climate change – Developed 2011 - 2015 Climate Action Programme
– Collaboration on projects	– Human rights	– Working in partnership with WWF to tackle environmental threats in Africa.
– Partnerships	– Sector lending and project finance	Human rights – Updated our Group Statement on Human Rights .
– Strategy workshops	– Access to financial services for vulnerable groups	Sector lending and project finance – Reviewed environmental and social risk guidance notes.
– Product consultation	– Opportunities to further align community investment activities with core business.	Access to financial services for vulnerable groups – Developed products and channels to meet the needs of vulnerable groups.
– Climate Action Programme Consultation.		Opportunities to further align community investment activities with core business – Refreshed the focus of our community investment programmes to maximise impact – Identified volunteering opportunities for employees to share their skills and experience.

Industry Associations

Engagement mechanisms	Issues identified	Barclays response
<ul style="list-style-type: none"> – Involvement in committees and working groups – Active contribution to industry discussions – Direct engagement at scheduled meetings. 	<ul style="list-style-type: none"> – Corporate governance – Financial inclusion – Environmental and social risk management – Respecting human rights. 	<p>Corporate governance</p> <ul style="list-style-type: none"> – Strengthened governance of complaint processes. <p>Financial inclusion</p> <ul style="list-style-type: none"> – Involved in shaping the UK financial inclusion agenda. <p>Environmental and social risk management</p> <ul style="list-style-type: none"> – Participated in the International Finance Corporation's review of Performance Standards. <p>Human rights</p> <ul style="list-style-type: none"> – Reflected UN Special Representative John Ruggie's Protect, Respect and Remedy framework in our Group Statement on Human Rights.

Materiality

Materiality forms the basis of our reporting as it provides a view to what our stakeholders deem to be important and is strategic to our business. We consider material areas of focus to be those that represent either a risk or an opportunity for Barclays to create and sustain economic, social or environmental value for itself, its stakeholders and society.



We identify and prioritise areas of focus based on the results of our [engagement with stakeholders](#) and through internal consultations with senior executives within Global Retail Banking, Corporate and Investment Banking, Barclays Wealth and Absa, as well as the Brand and Reputation Committee.

Material areas of focus

The areas of focus which are most material to our business and stakeholders are assessed throughout the year. These are not static; they evolve constantly. Below is an aggregation of the areas of focus that were identified as important in 2010. While all of these are integral to our business, they have been categorised into higher, medium and lower relative importance.

High relative importance

- [Regulatory change](#)
- [SME lending/supporting enterprise](#)
- [Responsible lending](#)
- [Remuneration](#)
- [Customer complaints and satisfaction](#)
- [Supporting our communities](#)
- [Tax contributions](#)
- [Combating financial crime](#)
- [Governance of our Citizenship agenda](#)

Medium relative importance

- [Talent attraction and management](#)
- [Managing our environmental impact](#)
- [Responsible products and services](#)
- [Promoting gender diversity](#)
- [Respecting human rights](#)
- [Financial capabilities](#)
- [Promoting access to finance](#)

Lower relative importance

- [Managing our supply chain](#)
- [Health, safety and welfare.](#)

How we report

2010 marked Barclays 11th year of reporting on our environmental and social performance.

Our approach to reporting

This report provides:

- Progress on the priorities set out in the 2009 Responsible Banking Review
- Our performance against the [material issues](#) concerning our business and [our stakeholders](#) in 2010
- Our plans for further action on each topic

Principles that guide us

- Global Reporting Initiative G3 Guidelines
- Accountability AA1000 Assurance Standard 2008

Scope of the Report

This Report covers the performance of the Barclays Group in the financial year to 31st December 2010. Unless otherwise explained, this Report covers our global operations. Information on our business segments and geographies is available [here](#).

Independent Assurance

Our reporting is independently assured by Ernst & Young. [View Assurance Statement](#).

Performance and indices

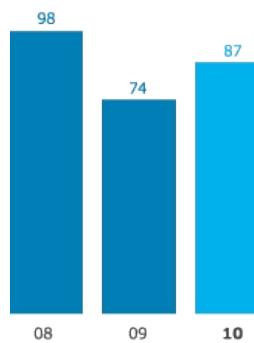
We participate in a number of performance indices, benchmarks and Environmental, Social and Governance research, including:

- [Dow Jones Sustainability Index](#)
- [Business in the Community](#) Corporate Responsibility Index
- [Carbon Disclosure Project](#)
- [FTSE4Good Index](#)
- [Employers Forum on Disability](#)
- [Johannesburg Stock Exchange Socially Responsible Investment Index](#)
- [Opportunity Now](#) diversity benchmark
- [Vigeo](#)
- [oekom research](#)
- [Sustainalytics](#)
- [RiskMetrics](#)

For a more comprehensive list of our partners, principles that we endorse and awards we have received, visit [www.barclays.com/citizenship](#).

Measuring progress

Carbon Disclosure Project



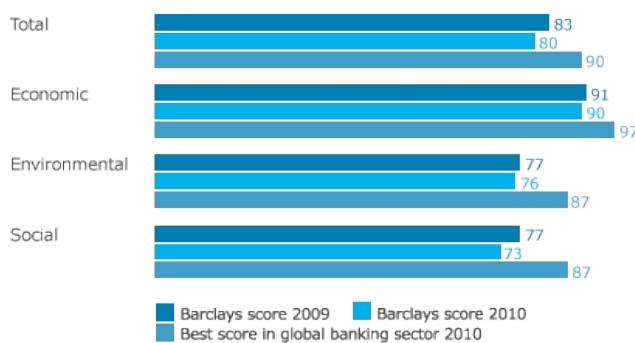
The [Carbon Disclosure Project](#) assesses the disclosure of Greenhouse Gas emissions and climate change strategy.

In 2010, Barclays ranked sixth in the global financial sector in the Global 500 Carbon Disclosure Performance Leadership Index and received an A rating in the Inaugural Carbon Performance Leadership Index.

The 2010 score of 87 out of 100 was an increase of 13 points on our 2009 score driven by improved disclosure of the management and reporting of climate change risks and opportunities.

*Score out of 100.

Dow Jones Sustainability Index



*Score out of 100.

The [Dow Jones Sustainability Index \(DJSI\)](#) tracks the financial performance of the leading sustainability-driven companies worldwide.

In 2010, Barclays maintained membership in the DJSI World Index, which represents the top ten per cent of the leading sustainability companies in the Dow Jones Global Total Stock Market Index.

Our performance in 2010 was relatively flat across economic, environmental and social dimensions of the index, reflecting strong performance against increasingly strict performance criteria.



Barclays Banking on Change partnership with CARE International and Plan UK was named as a United Nations Business Call to Action flagship project.



Barclays is a CommunityMark Pioneer, one of the first companies to achieve the CommunityMark in 2008.



Barclays has been a member since inception in 2001. In March 2011, on a Supersector relative basis, we scored 92 out of 100 on the overall Environmental, Social and Governance Rating.



Barclays was 17th in The Times Top 100 Graduate Employers, up from 35th in 2009.

2010 challenges

This summary covers some of the challenges that matter most to our stakeholders and our business. We continually monitor issues that arise throughout the year and aim to be transparent about how we respond to them.

The key challenges for 2010 included:

Complaints

For the industry

Regulators, media and consumer groups continue to highlight concerns about the financial service industry's approach to customer complaints. In 2010, this issue was particularly high profile in the UK, where the Financial Services Authority (FSA) and Financial Ombudsman Service (FOS) began publishing complaint data for the sector.

Concerns about sales practices related to Payment Protection Insurance (PPI) were a key driver of UK complaint volumes. Subsequently, the British Bankers' Association applied for a judicial review into whether the FSA and FOS have correctly applied the law in relation to PPI sales complaints. On 20th April 2011 the court found in favour of the FSA and FOS. The BBA members are considering the implications of the judgement and whether to appeal against the decision.

Barclays response

In 2010, the combined complaint volumes for Global Retail Banking, Barclays Corporate, Barclays Wealth and Absa were stable against 2009. In the UK, while there were decreases in the number of referrals to FOS and FSA reportable complaints, levels of complaints still remain unacceptably high.

We recognise we do not always get things right and are committed to reducing the number of complaints. We have put greater focus on addressing the root causes and have increased senior level oversight.

In January 2011, the FSA fined Barclays for failing to take reasonable care to ensure suitability of our advice to customers investing in the Aviva Global Balanced Income Fund and Aviva Global Cautious Income Fund, sold between July 2006 and November 2008. We are focused on putting things right for the customers we have let down and have taken steps to ensure that this does not happen again.

We are committed to driving sustainable improvements in our overall customer service and putting customers back at the heart of our business.

Sanctions

For the industry

Governments around the world employ sanctions to prevent the financing of terrorism. These regimes require that firms do not provide funds to a list of restricted individuals and countries. Banks are required to have systems and controls in place to carefully monitor transactions to detect and prevent potential criminal activity.

US federal and New York City authorities launched investigations in 2008 into several financial services institutions including Barclays around transactions between nations under sanctions that touched the US banking system. Looking ahead, the unsettled political environment in the Middle East suggests sanctions compliance will remain a high priority for banks.

Barclays response

Barclays conducted an internal review of its conduct with respect to US Dollar payments made between 1 January 2000 and 31 July 2007 involving individuals and entities subject to US economic sanctions. In conducting this investigation, Barclays worked closely and constructively with the US authorities. In August 2010, Barclays reached settlements with the relevant agencies and agreed to pay a total penalty of £194m.

Barclays is committed to the highest levels of integrity and regulatory compliance. Significant steps taken to enhance further its compliance programmes include:

- The further development and implementation of our Sanctions Policy
- Substantial investment in market-leading payment and customer screening technology
- The delivery of mandatory sanctions training for all of our employees around the world.

Regulation

For the industry

Changes to the regulatory systems that govern financial services following the financial crisis are both necessary and important. With collaboration at a global level through the G20 Financial Stability Board, the focus of the reforms has been to ensure banks are better capitalised and have greater liquidity. The Basel III regime is seeking to improve the resilience of the banking sector across the world.

Changes are also proceeding at national levels. For example, the Dodd Frank Act is concerned with the restructuring of financial services regulation in the US, while in the UK, the interim report of the Independent Commission on Banking (ICB) was published on 11 April 2011 with final recommendations due to be made to the UK Government in September 2011.

Barclays response

We believe that banks must show by their actions that they understand the public concerns over the mistakes of the past, assist and collaborate in the reform process and recognise their obligation to contribute to economic recovery. Barclays supports a robust regulatory environment and its role in contributing to a stable financial system and we have provided extensive input to domestic and international regulators and the ICB on this matter. Our view is that the new regulatory architecture should meet three objectives:

- Create a safer and more secure financial system, including ensuring that taxpayers are never again exposed to the risk that they were in the crisis
- Equip the banking industry to support the needs of the global economy
- Support international consistency of regulatory reform to allow international banks such as Barclays to operate on a global level playing field.

While we support regulatory reform, we look forward to the time when the regulatory environment is certain, with all remaining issues resolved so that we can concentrate on

Remuneration

For the industry

There is considerable public disquiet over remuneration in the industry as well as regulatory scrutiny at a national and global level. In December 2010, the FSA revised its Remuneration Code to take into account changes required by the Capital Requirements Directive (CRD3) of the European Union. CRD3 seeks to align the principles on which senior executive pay is based across the EU. These principles contain specific rules in relation to the proportion of pay to be paid in shares and the length of time these shares must be held.

Barclays response

Barclays is aware and sensitive to public opinion on the subject of pay. We recognise the need to pay responsibly. Our approach makes use of the deferral of incentives, payment in equity and the operation of malus provisions, i.e. clawback of a previous deferred remuneration, to ensure that we meet this need.

The principle that guides our remuneration strategy is that pay should be based on performance. Our 2010 remuneration decisions reflect Barclays strong financial performance in 2010. We also benchmark performance against the market to manage cost and to pay no more than is necessary to attract and retain the best people.

Barclays Remuneration Committee ensures remuneration decisions are in line with global and national regulations and meet all disclosure requirements. The Directors' Remuneration Report demonstrates our commitment to transparency. It shows that:

- Awards for performance were down 7 per cent while profits grew by 32 per cent
- Significant deferral levels operated for Executive Directors and senior employees, including deferrals for a significant number of employees beyond those required under FSA regulations
- We have a new deferred compensation scheme for our most senior employees that links future payouts to Barclays core capital position.

The full Directors' Remuneration Report can be found at www.barclays.com/investorrelations

The way we do business



The way we do business

Contributing to growth

Supporting our communities

Performance data and assurance

The way we do business

Compliance and robust corporate governance

Compliance with legal and regulatory requirements is vital. The maintenance and enhancement of a robust control environment is a key priority for Barclays, and we are committed to delivering this to the highest standards. We are allocating substantial resources, including investing in IT and people-driven solutions, to enhance our systems and processes.

Financial institutions are at the forefront of the fight against criminals who attempt to defraud, launder money or finance terrorism and against weapons proliferation. We have a legal, regulatory, moral and social responsibility to restrict the access of criminals to the financial services market.

Anti-money laundering

Money laundering is the process whereby the origins of the proceeds of crime are disguised to allow criminals to benefit, and the financial system is often used to this end.

The Barclays [Anti-Money Laundering \(AML\) Policy](#) is designed to ensure that all parts of our organisation, across all jurisdictions of operation, comply with the requirements and obligations set out in relevant legislation, rules and industry guidance for the financial services sector. This includes assisting in the prevention of organised crime and terrorism. The Policy also requires identifying whether customers, or related parties, are politically exposed.

Barclays is a founder member of the [Wolfsberg Group](#), which aims to develop financial services industry standards relating to 'know your customer', AML and counterterrorist financing policies.

Sanctions

Sanctions are official restrictions on activity with targeted countries, individuals, entities and industries. Barclays is committed to complying with financial sanctions and export controls in order to comply with the law, help prevent weapons proliferation, organised crime and terrorism and protect the reputation of Barclays. We have a duty not to deal with individuals who are subject to financial sanctions.

Barclays [Sanctions Policy](#) sets out how we will adhere to sanctions law and places restrictions on:

- The individuals and entities with whom we can establish or maintain a business relationship; and
- All business activities that Barclays undertakes.

Failure to comply with AML and sanctions requirements can expose Barclays to civil and criminal liability, fines, loss of reputation, public reprimand, limitation on business, and other serious consequences. For our colleagues, failure to comply with AML and sanctions can result in personal liability such as fines and imprisonment. Colleagues who fail to comply with the Barclays [AML Policy](#) and the [Sanctions Policy](#) may be subject to disciplinary action up to and including dismissal.

As announced on 18 August 2010, Barclays reached settlements with the US Department of Justice, the Manhattan District Attorney's Office, and the US Department of the Treasury's Office of Foreign Assets Control (OFAC) in relation to their investigation into compliance with US sanctions and US Dollar payment practices.

We have taken significant steps to enhance our compliance programmes, including the further development and implementation of our [Sanctions Policy](#), substantial investment in market-leading payment and customer screening technology, and the delivery of mandatory sanctions training for all of our employees around the world.

We take sanctions compliance very seriously and the subject has the attention of senior management at the highest levels in Barclays. We continue to commit substantial resources and expenditure to investing in IT and people-driven solutions to improve our systems and processes and ensure sanctions compliance.

Bribery and corruption prevention

Barclays has a zero tolerance approach to bribery and corruption. All Barclays colleagues must comply with the Barclays [Anti-Bribery and Anti-Corruption Policy](#) and relevant laws and regulations, wherever in the world they are operating. Penalties for failure to comply with the Policy could be severe, including potentially unlimited fines to the bank and/or to individuals and/or imprisonment. Failure to comply with the Policy may also result in disciplinary action, up to and including dismissal.

The UK Bribery Act is anticipated to be brought into force in 2011 and is widely regarded as among the strongest anti-bribery legislation in the world. Under the Act, commercial organisations can be liable to prosecution if they fail to prevent bribery by any person associated with them, unless they have adequate procedures in place. Building on existing controls and procedures, Barclays has instigated a comprehensive Anti-Bribery and Anti-Corruption (ABC) project, to review existing policies and processes, in order to deliver an enhanced ABC control framework across Barclays. This project is endorsed at the highest levels of the organisation and progress is reported regularly to senior committees of the bank. In 2010, Barclays became a member of [Transparency International UK](#), part of the leading international NGO dedicated to combating corruption.

“

The financial crisis has shone a spotlight on global banking operations and a series of issues related to transparency, integrity and accountability. We welcome the opportunity to engage corporate members such as Barclays, both to help us gain greater insight into the issues and to influence key global players. We look forward to developing a productive dialogue with Barclays that will address areas of particular concern to civil society

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Chandrashekhar Krishnan, Executive Director, Transparency International UK

Data protection

Barclays has been running a Group-wide privacy programme for the past three years to assess our compliance with international privacy laws and have established remediation plans to identify any areas for improvement. We have established a Group-wide operating model and now have over 20 roles dedicated to privacy and data protection. We have enhanced our incident management framework to ensure that we identify any issues that should arise when they occur and mitigate them quickly. To facilitate this, we have been running ongoing and award-winning privacy awareness campaigns across the organisation, and the metrics used have indicated improved awareness and changes in practices.

Fraud

Barclays operates a fraud risk control framework reflecting the importance given to managing the risks posed by fraud. The Group Fraud Management Committee meets monthly to review fraud levels and the effectiveness of our controls in preventing losses. This helps in the identification of emerging fraud risks and trends, so that timely action may be taken to refine our controls to protect Barclays and our customers.

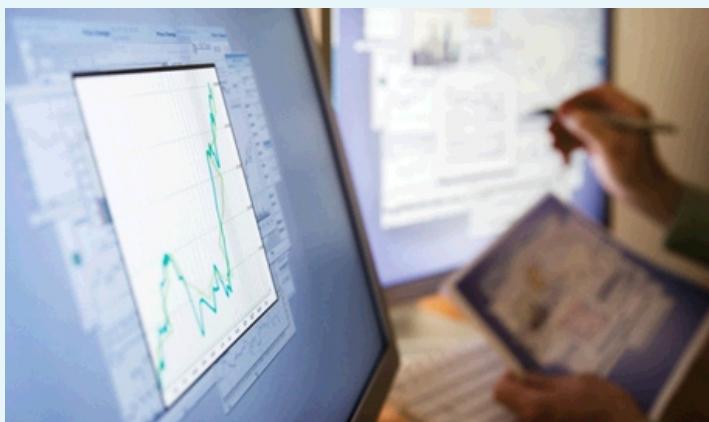
The threat posed by fraud continually evolves as criminals seek new ways of attack; we therefore remain constantly aware of this threat and invest appropriately to enhance our fraud prevention capability on an ongoing basis.

The protection of our customers from fraud is a key priority and we therefore carefully manage the balance between the accessibility of our products and services against this, while ensuring our legal and regulatory obligations are complied with in full.

We will accept a wide range of identity documents when opening a new account which gives both colleagues and customers flexibility. However, if an applicant cannot provide proof of identity from this range of documents, we have procedures for authorised acceptance from a broader range of documents.

These measures ensure that applicants, including in particular someone who is financially excluded, are managed appropriately taking account of customer needs, alongside our regulatory obligations.

Preserving carbon market integrity by tackling fraud



During 2010, Barclays helped British customs and excise officers to combat value added tax (VAT) fraud in Europe's carbon trading markets.

Suspicious trading was first spotted by our Environmental Products Trading team. Having alerted the UK tax authorities, the team began to advise organisations involved with carbon trading on how to spot suspicious trading.

The team hosted a number of industry-wide meetings and presentations in partnership with British revenue officers, and offered other financial providers free use of Barclays carbon allowance tracking software.

We also provided an assessment of the magnitude of the fraud problem which proved instrumental in the zero rating of carbon trading for VAT purposes by the UK Government.

We have continued to monitor European Union Allowance trading and highlight what we consider to be suspicious activity on a regular basis. We are now utilising our expertise more widely in an attempt to combat VAT fraud as it spreads to other physical commodity markets.

Improving the customer experience

Our priority is to make it easier for our customers to achieve their goals in life by continually enhancing the customer experience. We expect to make particular progress in 2011 by delivering new technology channels, transparent products and services and enhancing complaints management processes. To achieve this, we have committed £1bn in our Global Retail Banking business over the next four years to improving the customer experience.

Complaint resolution

Barclays is committed to delivering sustainable improvements to the service we provide to our customers. We recognise we do not always get things right and are committed to reducing the number of complaints. We have put greater focus on addressing the root causes and have increased senior level oversight.

We take customer complaints very seriously and always look to deliver fair outcomes. We aim to deal with them effectively and efficiently, and use our complaints process as a critical channel to listen to and better understand the needs of our customers. This helps us to continually improve the process and prevent issues from reoccurring.

Progress in 2010:

Global context

- Combined complaint volumes for Global Retail Banking, Barclays Corporate, Barclays Wealth and Absa were stable against 2009
- Levels of complaints within UK Retail Banking decreased as a result of improvements; however, overall reductions were offset by increased volumes in Absa following enhanced complaint capture processes.

UK context

- While there were improvements in the levels of referrals to the [Financial Ombudsman Service \(FOS\)](#) and with regard to [Financial Services Authority \(FSA\)](#) reportable complaints, levels of complaints remain unacceptable.

Governance:

- Increased senior level oversight of complaints, with accountability at executive level. For example, an Executive Steering Committee meeting led by Antony Jenkins, Chief Executive, Global Retail Banking, reviews UK complaints on a monthly basis
- Senior managers are members of our [Treating Customers Fairly \(TCF\)](#) forum and our UK Executive Complaints Steering Committee.

It is important to note that as our processes for capturing customer feedback mature, we may experience an increase in complaint volumes, particularly in our businesses outside of the UK. This is helping us to better understand the root causes of complaints in these markets and as a result we expect to see an improvement to the way we address these concerns in 2011.

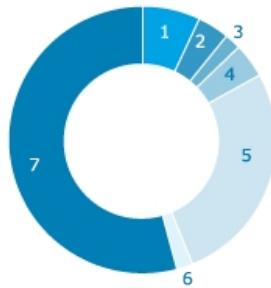
Complaints received in 2010 compared with 2009

Business Unit	% Change
Global Retail Banking	-1.45%
Barclays Corporate	-4.70%
Barclays Wealth	-23.33%
Absa*	47.11%
Barclays Group	-0.01%

* Increased volumes in Absa following enhanced complaint capture processes.

More detail on UK complaints is available at www.barclays.com/citizenship.

Complaints Received in 2010



1	Absa	7%
2	Barclays Corporate	4%
3	Barclays Wealth	2%
4	Barclays Africa (GRB)	4%
5	Barclaycard (GRB)	27%
6	Western Europe (GRB)	2%
7	UK Retail Banking (GRB)	54%

Addressing root causes to enhance the customer experience

We have increased emphasis on addressing the root cause of complaints, including improving the customer experience. Examples of our progress include:

In the UK

- Improved the time it takes to receive a replacement debit card from five days to 48 hours
- Re-engineered the process for changing customer account details
- Made enhancements to our deposit machines, which now see cash deposits credited to customer's accounts immediately.

In Africa

- Decreased the time it takes to open a new bank account in Zambia to 20 minutes (down from three weeks).

Customer satisfaction

Barclays is committed to improving satisfaction and the overall customer experience across all of our businesses. Each business has adopted a bespoke approach to monitoring customer satisfaction through a programme of surveys. In Global Retail Banking, we have either maintained or improved customer satisfaction. We use the results to identify ways to improve customers' overall banking experience. In 2011, we will work towards improving the consistency of our measurement and reporting on satisfaction.

Below is an overview of progress on customer satisfaction in Global Retail Banking. Given markets and customers vary by Business Unit, survey methodologies differ slightly. In 2010, we:

- Improved satisfaction by three points in UK Retail Banking (using a mean indexed score)
- Improved satisfaction by two percentage points in the UK Barclaycard
- Maintained stable customer satisfaction levels across Western Europe, with incremental increases in Italy and Portugal
- Committed to commencing regular and consistent customer satisfaction surveys in Barclays Africa in 2011.

Innovative products and services

The way in which our customers access money and make payments is changing rapidly. Our focus has been on making it easier for our customers to manage their everyday banking needs through technology channels such as mobile, internet and contactless services.

Barclays was the first high street bank to offer customers the facility to make third party payments via their mobile phone through our [Barclays.mobi](#) service. We also lead the way on contactless technology and in 2006, launched the first credit and cashless payment card through incorporating Oyster card technology. There are currently over ten million Barclays debit and Barclaycard contactless cards in circulation with many new retailers adopting the technology due to its speed and convenience.

In Africa, our focus is on providing access to finance by introducing mobile banking in areas where traditional banking is more difficult. For example, in Kenya, we have two mobile banking initiatives, [Hello Money](#) and our money transfer initiative in partnership with M-PESA which both aim to extend access to mobile banking. In 2010, our focus was on improving the operational and channel capabilities of mobile banking, specifically in Kenya and Botswana.

We aim to help our customers keep track of their finances, choose the right financial products and plan ahead. In 2010, we introduced a new SMS alert service to notify customers when large transactions have been made on their accounts and when they are approaching their overdraft limit. In line with our focus on building financial capability, we also launched [56 Sage Street](#), an online game aimed at young people, which teaches financial know-how in a fun and interactive way.

In 2011, we plan to allocate specific resources to driving innovation within our core business by providing a dedicated online platform where our employees can post new ideas that contribute to the sustainable value of our products and services.

For more information on these areas, and how we are using innovation to address global challenges such as climate change and poverty, see [Helping our clients invest in growth tomorrow](#).

Environmental and social risk management in lending

Barclays approach to environmental and social risk management is based on a combination of policy and guidance. This enables us to adopt a robust approach, while maintaining the flexibility to consider potential clients and transactions on their respective merits.

The environmental and social risks associated with any transaction can be complex, and are based on a range of factors which include the sector, geography and transaction type. For example, the environmental risk considerations for a general corporate credit line to a mining company with operations in different regions around the world will be very different from those applied in assessing the risks associated with a loan to an individual South African wind farm project. Barclays uses a range of tools to assess these different risks.

Barclays has a dedicated environmental and social risk team in place to advise on transactions of all types where there are potential environmental or social sensitivities. The team is part of the Group Risk function and is supported by a network of Barclays representatives who help to maintain awareness of the local and regional risks associated with our lending activities, provide environmental and social risk information and guidance, and act as local support.

More information on our approach can be found at www.barclays.com/citizenship.

Policy and guidance

Our Environmental and Social Impact Assessment Policy (ESIA) applies to transactions where an ESIA is a legal requirement, to project finance proposals, or where funds are being raised for a specific asset which may give rise to environmental or social risks. It is also the mechanism by which we apply the Equator Principles (see [Equator Principles section below](#)).

Our policies are supported by a range of internal guidance documents, which include a categorisation screening tool and sample terms of reference to ensure impact assessments are Equator Principles-compliant. For information and a synopsis of the ESIA Policy applied, [visit www.barclays.com/citizenship](http://www.barclays.com/citizenship).

We have developed guidance notes addressing the environmental, social and human rights risks involved in developing business relationships with customers operating in environmentally and socially sensitive sectors. These guidance notes have also been adopted by the [United Nations Environment Programme Finance Initiative](#) (UNEP FI), which has made them available to all UNEP FI signatories. The notes cover:

- Agriculture and fisheries
- Chemicals and pharmaceuticals
- Forestry and logging
- Manufacturing
- Infrastructure
- Mining and metals
- Oil and gas

- Power generation
- Service industries including healthcare and telecommunications
- Utilities and waste management.

As part of our commitment to prudent risk management, all policy and supporting documentation is reviewed annually to ensure its ongoing relevance to the emerging issues associated with our clients' business activities. For example, in 2010, the increased focus on shale gas prompted a supplement to our risk guidance notes for oil and gas.

Project finance represents a relatively modest proportion of total transactions across Barclays lending book, and the consideration of environmental issues in other transaction types is a required part of our credit processes.

Climate change and nuclear power

The climate change agenda has revived interest in nuclear power as an alternative to more carbon-intensive energy sources. Our internal Nuclear Policy, which has been in place since 1996, recognises that for many, nuclear power may not be the energy source of choice, and identifies the sensitivities surrounding the nuclear fuel cycle. It covers all transactions involving companies where radioactive materials are a key component of their operations. The Policy outlines the risks involved in this sector and sets the minimum criteria expected if Barclays is to provide finance.

The Equator Principles

The Equator Principles (EP) form the framework by which the financial services industry manages environmental and social risks in project finance and are based on the industry-recognised [International Finance Corporation](#) (IFC) Performance Standards.

Barclays continues to participate in the [Equator Principles](#)' steering group and retains leading roles in the Climate Change and Social Risks Working Groups. In 2010, this included close participation in the IFC's consultation, supporting the review of its Performance Standards, around which the Principles are based. Acting on the results of that review, we will remain actively involved in refining the Equator Principles to ensure they continue to be viewed as the benchmark for environmental and social risk management for project finance.

Training and capacity building

Ongoing coaching and capacity building is important in raising awareness of the environmental and social impacts associated with our lending.

We continue to focus on raising awareness of these impacts among Barclays colleagues worldwide. Coaching client-facing colleagues helps ensure such risks are integrated alongside more traditional credit risk considerations when financing decisions are made. During 2010, members of our Environmental Risk Management team provided training and coaching for 74 colleagues across the organisation in key functions. In Absa, closer alignment of our business-wide environmental risk management approach has continued with secondments from Barclays colleagues working alongside environmental risk teams in Johannesburg.

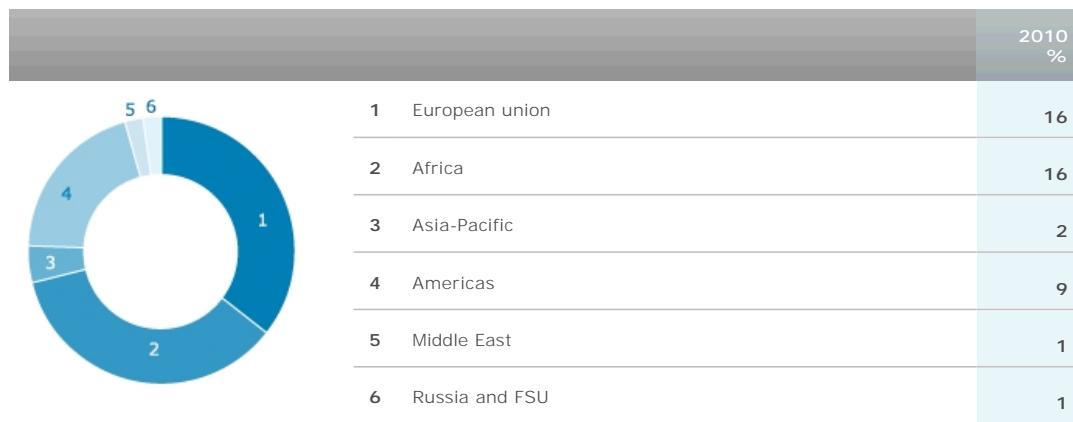
Transaction screening

In 2010, a total of 289 transactions were referred to the Environmental Risk Management team. Of these, 45 were project finance transactions, an increase of 11 project finance transactions compared with 2009. In part, the increase is the result of business teams applying the [Equator Principles](#) more broadly, reflecting its value as a risk management tool.

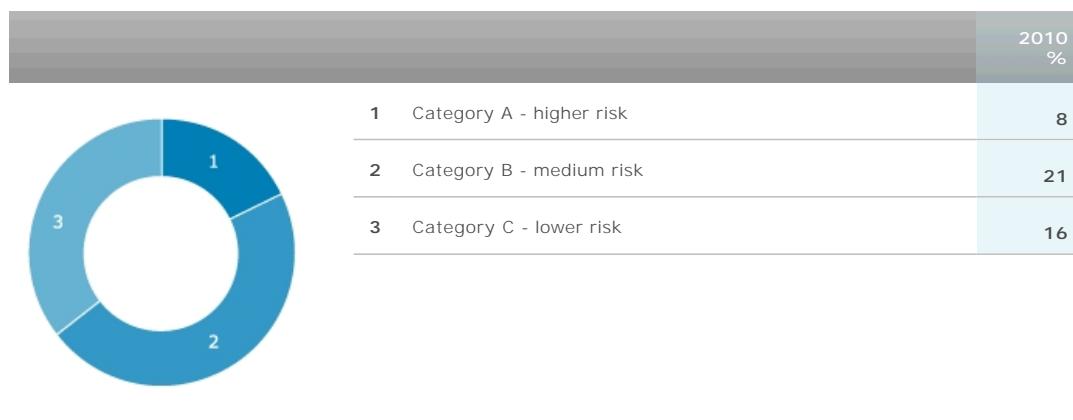
Transactions screened by industry sector (2010)

Sector	Project Finance transactions	Other transactions
Agriculture, fisheries, forestry and logging	0	8
Manufacturing	0	10
Chemicals and pharmaceuticals	1	10
Mining and metals	15	55
Power, excluding nuclear	7	54
Renewable power	7	8
Oil and gas	4	48
Utilities and waste management	2	5
Infrastructure	7	39
Service industry, including healthcare and telecommunications	2	7
	45	244

Project finance transactions by geography



Project finance transactions by risk category



Focus for 2011

In 2011, we believe issues that will continue to grow in importance include:

- The impact of changing weather patterns on our clients' activities
- Biodiversity, including the growing appreciation of the value of ecosystem services
- The social and community impact of our clients' operations in different parts of the world.

We aim to develop a greater understanding of the associated risk implications through investigation and research and, where appropriate, through engagement with relevant industry, regulatory bodies and academia.

More case studies are available at www.barclays.com/citizenship

Managing our supply chain

Poor implementation of local social and environmental regulation, particularly when operating in developing countries, has forced companies to address issues that have traditionally been seen to lie outside of their core competencies and responsibilities.

We are working with our suppliers to effectively integrate sustainability principles into their existing programmes and operations. Through such partnerships we are building capacity and addressing challenges to ensure that sustainability considerations are embedded within all sourcing processes. Part of this effort involves participating in working groups and industry indices including:

- [The Carbon Disclosure Project supply chain initiative](#)
- Greenhouse Gas (GHG) emissions working group as part of our involvement with the [Financial Services Corporate Responsibility \(FSCR\) forum](#).

Governance and control

Barclays applies a risk-based approach to calculating the level of risk associated with a supplier, taking into account potential social, ethical and environmental risks.

In 2010, we:

- Strengthened our supplier controls assurance framework to identify more effectively trends in behaviour and prioritised our approach to supporting sustainable business practices in our supply chain
- Launched new third party sustainability control requirements across our global supply chain, which required certification from our high-risk suppliers to compliance across areas of health and safety, diversity and inclusion, human rights and environmental management
- Continued working with TNT and Lloyds Banking Group, using TNT's vans to share branch deliveries. Through this initiative, we were able to cut delivery miles and subsequently reduce carbon emissions and energy costs
- Encouraged two of our card manufacturers, TSYS® and Firstdata, to achieve accreditation to UK environmental management system ISO 14001.

Moving forward, we will begin to extend these sustainability control requirements to medium-risk suppliers suppliers and will define control requirements for those categories of spend which may have the greatest sustainability impacts.

Assurance

To identify and address areas for development and track the performance of our high-risk suppliers, in 2010, we re-launched our sustainability questionnaire. Analysis of the responses helps us to work with our suppliers to identify and address areas for development and track performance over time.

In 2010:

- 333 suppliers completed our sustainability questionnaire, more than double the number in 2009
- We introduced an independent on-site assurance programme targeting our high-risk suppliers, conducting 41 on-site sustainability audits.

To ensure the continued sustainability of our supply chain, high-risk suppliers will now be audited on-site every three years, and by 2015, we will aim to have assessed 100 per cent of our high-risk suppliers for compliance to our sustainability control requirements.

Starting in 2011, the annual completion of our sustainability questionnaire will become mandatory.

2010 citizenship priorities	Status	How we performed
Undertake 10 on-site supplier sustainability reviews of the activities and impacts on health and safety, diversity and inclusion, environmental impact and labour standards	✓ Complete	41 on-site supplier sustainability reviews were undertaken of the activities and impacts on health and safety, diversity and inclusion, environmental impact and labour standards

Respecting human rights

As a global business, Barclays has a clear responsibility to support governments and civil society in protecting and upholding human rights.

This issue has gained prominence through the work of John Ruggie, the United Nations (UN) Special Representative on Business and Human Rights, whose Protect, Respect and Remedy framework was adopted by the UN Human Rights Council (UN HRC) in 2008. His final report to the UN recommends [Guiding Principles](#) for states and businesses, highlighting the need for appropriate due diligence, monitoring and reporting on performance.

Barclays has participated in this initiative through our membership of the Business Leaders' Initiative on Human Rights and through consultation meetings. We have also engaged via the Equator group of banks' Social Risks Working Group and through the [UN Environment Programme Finance Initiative](#) (UNEP FI).

As a result of this involvement, we updated our [Group Statement on Human Rights](#) to reference the framework, which will be reviewed again following confirmation that the UN HRC has accepted the [Guiding Principles](#).

In the UK, Barclays is a member of the [Equality and Human Rights Commission](#) Human Rights and Business Working Group, which is reviewing the implications of human rights and the Protect, Respect and Remedy framework for British businesses. In 2011, we will take forward this framework in our policies and processes and benchmark what we do against them.

2010 citizenship priorities	Status	How we performed
Launch the global online human rights training module for Barclays employees	✓ Complete	Developed and launched global online human rights employee training module
Review content of our Group Statement on Human Rights	✓ Complete	Reviewed and updated our Group Statement on Human Rights

Millennium Development Goals (MDGs)

The [Millennium Development Goals](#) (MDGs) are eight goals to be achieved by 2015 that respond to the world's main development challenges. The MDGs are drawn from the actions and targets contained in the Millennium Declaration which was adopted by 189 nations and signed by 147 heads of state and governments during the [UN Millennium Summit](#) in September 2000.

While Barclays has been contributing over the years towards these goals, the MDGs serve as a useful framework for us to evaluate our contribution to reducing world poverty.

The table below provides examples from a wide range of activities we undertake in developing countries that fit into the MDGs.

UN MDG Goal	Examples of Barclays activity
Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> – Partnering with UNICEF on programmes that have removed over 1,000 children from vulnerable malnutrition status in the Philippines – Supporting income generation projects for people living on just over £1 a day in Botswana and Zimbabwe
Achieve universal primary education	<ul style="list-style-type: none"> – Supporting the re-integration of over 600 children back into formal education in Kenya – Supporting 4,000 children to join a home schools programme in rural Pakistan
Promote gender equality and empower women	<ul style="list-style-type: none"> – Supporting 6,000 girls to remain in school in northern Ghana – Providing professional skills training for young people in Egypt
Reduce child mortality	<ul style="list-style-type: none"> – Supporting infant care in Katine, Uganda – Supporting regular health checks and immunisation programmes for over 10,000 children under the age of five in the Philippines
Improve maternal health	<ul style="list-style-type: none"> – Supporting birth attendants in Katine, Uganda – Working towards providing three million mothers and children in Tanzania with improved maternal and newborn health services
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> – Educating young people in Zambia about HIV/AIDS through the Barclays Spaces for Sports programme
Ensure environmental sustainability	<ul style="list-style-type: none"> – Partnering with WWF to support sustainable energy and biodiversity in Tanzania – Supporting mangrove plantation with the International Union for Conservation of Nature in Pakistan
Develop a global partnership for development	<ul style="list-style-type: none"> – Partnering with organisations on programmes around the world, including UNICEF to tackle unemployment among young people, Junior Achievement Worldwide to promote youth entrepreneurship, and CARE International and Plan UK to develop savings-led solutions for financial inclusion

Banking on change project/MDGs



The [Business Call to Action \(BCTA\)](#) is a global initiative that promotes achievement of the Millennium Development Goals by challenging companies to develop innovative business models that provide both commercial success and development impact.

Barclays responded with a three-year, £10m [Banking on Change \(BoC\)](#) initiative. BoC promotes access to basic financial services across 11 countries in Africa, Asia and South America through savings-led community finance projects undertaken in partnership with the NGOs [CARE International](#) and [Plan UK](#).

The programme leverages Barclays core business expertise and the experience of our NGO partners. Villagers who depend on traditional, rural village savings and loan associations (VSLAs) for banking services by linking them to the formal financial sector are the primary beneficiary. Through the BCTA commitments, Barclays will support around 60,000 low-income customers to access banking products and services designed to serve their particular needs.

“
For Barclays, the Banking on Change initiative isn’t just a philanthropic exercise – it has real commercial and business value. This initiative will help pave the way for formal financial services in the future
”

Chen Wong, Banking on Change Manager, Barclays

“
Extending access to banking and financial services within low-income communities allows poor people to manage their money more efficiently and effectively and creates new opportunities for inclusive economic growth
”

Natalie Africa, Programme Manager, Business Call to Action

Diversity and our people

Across our global business, we aim to ensure that all our colleagues have the opportunity to develop and reach their full potential, regardless of gender, race, nationality, age, disability, sexual orientation, religion or background.

While we have made progress on this agenda in 2010, we continue to recognise that there is more to be done to build a more inclusive and diverse workforce at Barclays - one which better reflects the communities in which we do business.

Our diversity and inclusion programme is overseen by the Executive Diversity Group which has been mandated by our Group Executive Committee to monitor and manage this agenda for Barclays.

Our programme covers gender, sexual orientation, race and cultural awareness, disability, age, and religion and belief.

In South Africa, Absa established an Employment Equity consultation forum, chaired by Absa Chief Executive Maria Ramos, where our employees are consulted through their representatives on transformation matters. Transformation is the key theme underpinning workplace change in the country's post-apartheid era and Absa monitors Employment Equity targets as a legislative requirement, in the recruitment, promotion and development of designated groups, particularly Black employees as part of this requirement. In 2010, representation of employees from designated groups in our Absa Development Initiative and Absa Leadership Development programmes was above 80 per cent. For more information, see the [Absa Report](#).

Gender

Gender is the main focus of our diversity programme globally and developing our strategy on gender was a key area of activity in 2010, sponsored by the Executive Diversity Group.

An intensive programme of interviews with internal and external stakeholders helped to shape the strategy, resulting in some clear actions for our Business Unit Diversity teams. These included developing diversity metrics, enhancing HR processes, improving our communications on diversity issues and successes, and building on our external sponsorships to raise awareness.

We want to see more women represented in senior roles. We recognise that this challenge is one for the whole finance sector, not just Barclays, that it will take time to achieve, and require continued sponsorship from the very top of the organisation. We aim to increase female representation in senior roles across Barclays through pursuing our Group-wide gender strategy, including development of a strong talent pipeline, enhancement of Group-wide best practice sharing and visibility of role models via our internal women's networks.

Recruiting

In 2010, we took steps to enhance the proactive approach to gender diversity of our recruitment campaigns. As well creating a 'virtual bench' of potential successors for our most senior roles through our talent-spotting initiative, we have implemented diverse slates - shortlists of male and female candidates - as standard for senior management positions. We also hosted an event for our external recruitment suppliers who support our technology functions in October 2010, to demonstrate our commitment to diversity and inclusion, and explain that we expect our suppliers to partner with us in attracting and shortlisting diverse candidates.

Barclays Wealth's Embark career change programme, which trains skilled people from outside the financial sector to become private bankers, has encouraged 25 women to join Barclays since the programme started in 2007, representing 30 per cent of all those hired through the programme.

At universities, Barclays Capital continued to hold women-only events in 2010 to highlight how women can flourish in the traditionally male-dominated investment banking profession. Graduate recruitment teams across the organisation stress the support and opportunities that are offered to women at Barclays and women directors are encouraged to give talks about their own career progression to undergraduates and junior level professionals. Absa Capital is planning to hold a Pioneering Young Women Conference in 2011 and invite 50 high-performing South African female students to attend. Participants will have the opportunity to engage with entrepreneurs and successful business leaders in the financial, information technology and legal sectors, to gain insight into the industry and sharpen their leadership skills.

Developing talent

In many parts of the business, women are offered specific in-house training such as networking, self promotion and one-to-one career coaching sessions. In addition, executive coaching consultants provide senior women with advice on successfully navigating the work environment. Similar sessions are available to female colleagues at less senior levels through events held by our Women's initiatives Networks (WiNs).

In 2010, we launched a series of female leadership initiatives across Africa and Europe, ensuring that women who want to pursue international careers can expect consistent levels of support throughout the business. For example, in Spain, female colleagues can take part in postgraduate degree programmes designed for women, working with leading business schools and public bodies, with the support of grants and scholarships.

In Mauritius, Barclays Diversity and Inclusion Forum has linked up with an external Women's Network to create a Women's Leadership Programme which 25 women will go through in 2011. Barclays Capital has run a Women's Leadership Programme in Asia to assist in the retention and advancement of senior-level women across the region.

Role models

To encourage more women into senior roles at Barclays, we have a number of initiatives and programmes to highlight female role models. Our [Women of the Year](#) Awards programme, attracted a record number of nominations from more countries than ever before. The event was attended by several members of our Executive Committee as well as our Group Chairman, Chief Executive and President. Winners attended the prestigious Women of the Year Lunch in London where Barclays sponsors an external award. Other major external sponsorships highlighting our approach to gender diversity are the [Women's Forum for the Economy & Society](#), a global conference held annually in Deauville, France, and the [Female FTSE 100 Report](#), published by the UK's Cranfield University to lead the debate on the proportion of women at the very top of the UK's largest companies.

Across Barclays, Women's Initiative Networks (WiNs) are growing or forming. In 2010, the WiN in Barclays Wealth topped 1,600 members, and in Barclays Capital grew to almost 3,000 members, while new WiNs were formed in Group Centre and in some of our African operations, such as Tanzania and Kenya. A UK Retail Banking WiN formed in late 2010, with a cross-Group WiN teleconference and ongoing communications helping these networks to learn from each other's successes.

Another initiative, which helps women who find it difficult to join a WiN because they are based in smaller or more remote offices or branches, is a dedicated mailbox for female colleagues' queries. This has been set up in Absa allowing questions to be asked on the Women's Forum about personal development, wellness, networking opportunities and so on.

We also launched a maternity coaching programme and new fathers programme in Barclays Wealth, including a version for line managers, to help our colleagues in the UK, Channel Islands and Isle of Man to transition between work life and new parenting. A pilot programme has also been launched in Barclays Capital in both the US and UK.

Customers and clients

Our commitment to supporting women extends to our customers and clients. In 2010, UK Retail Banking published four editions of its [Smart Living](#) magazine and e-zine. [Smart Living](#) was targeted at mass affluent women in their 40s and 50s, as research demonstrates that this customer group is making a number of significant but challenging decisions where money plays a key role, such as starting a new career, paying for education and planning for retirement. The publication aimed to increase the levels of trust and engagement our female customers have in Barclays. The magazine was distributed directly to over 65,000 customers and was also available for customers to take away from selected branches.

In 2010, Barclays Stockbrokers launched [SmartWoman](#), a publication which targets female investors. This came about after we conducted research which told us that women:

- Approach investing differently to men
- Are very under-represented when it comes to investing
- Are often turned off by financial literature

We want to engage with women in a new way, building on our established innovative ecommerce business. SmartWoman magazine and [website](#) provide insight from our experts and advice for experts and novices.

Disability

We do our utmost to ensure that colleagues and customers with disabilities do not feel disadvantaged in Barclays. We are also committed to ensuring our customers with disabilities get appropriate support from our products and services.

In Barclays Wealth, our Disability Solutions service helps colleagues navigate barriers in the workplace that can be overcome by adjustments to their work environment. Disability Listening Groups are also held by senior executives who are keen to hear how Barclays can do more to enable colleagues with disabilities to fulfil their potential.

In Absa, we have a coaching/mentorship programme for people with disabilities, a Disability Hotline used by employees to field disability related questions and problems and a Disability Support Fund offering support to people with disabilities and their dependants.

Barclaycard has also worked with external disability consultants to ensure that the design of new payment terminals is both accessible and user-friendly for all customers. For example, in Zambia, ATM machines are being lowered to give wheelchair users easier access, Braille Tariff Guides are planned for 2011 to help visually impaired and blind customers, and branch-based personal bankers are learning basic signing to enhance our service to deaf customers.

In 2010, we sponsored the refresh of the Employers Forum on Disability's Disability Communication Guide, a reference guide which offers practical advice on how to recognise and avoid attitudes and behaviour which can create misunderstandings and barriers.

Disability Listening Groups are also held by senior executives who are keen to hear how Barclays can do more to enable colleagues with disabilities to fulfil their potential and actions prompted by Reach, our UK employee network for disabled colleagues, resulted in the incorporation of Text Relay into Barclays identification and verification systems so that deaf colleagues could change their internal passwords without relying on the help of their colleagues. Additionally, all events in Barclays aim to use closed-captioning technology when available, or other assistance such as interpreters for the deaf, to ensure accessibility and opportunity for all employees to participate.

Spectrum

Our Spectrum network for lesbian, gay, bi-sexual and transgender (LGBT) colleagues and supporters was named Employee Network of the Year at the annual Stonewall Awards announced in January 2011. The network offers colleagues support on career development and has more than 400 members across Barclays. It also raises awareness on being LGBT through a series of seminars open to all colleagues.

In the annual [Stonewall Workplace Equality Index](#), Barclays was named one of the top 10 UK employers for LGBT people. The index assessed organisations on a number of measures, including how they implement equality policies and their performance on recruitment and mentoring. The ranking was an improvement on the previous year's performance when Barclays finished 22nd overall.

Antony Jenkins, Global Retail Banking Chief Executive and Chair of the Executive Diversity Group, said: "This is a fantastic achievement and shows the commitment from all levels of the organisation to help Barclays become truly inclusive and reflect the communities in which we operate."

In the US, Spectrum collaborated on a policy change where Barclays employees in the US who cover their same-sex domestic partner under the Barclays Medical, Dental or Vision plans will be eligible to receive a reimbursement at the end of each plan year to offset the additional US federal tax paid by the employee for covering their same-sex domestic partner. In addition, Spectrum in the UK also co-sponsored the production of a video campaign to increase awareness of the plight of young LGBT people in the care of the Albert Kennedy Trust. We also won the award for Corporate Sponsor of the year in 2010 for our partnership with the trust.

Cultural Awareness

Barclays runs Cultural Diversity Networks which are open to colleagues who are interested in race equality issues. These groups give members an opportunity to work with external organisations on a range of events and initiatives as well as raise awareness internally and promote the recruitment and development of ethnic minorities.

Pension education

Vantage, Barclays online retirement education programme, was launched in January 2010 in response to feedback from colleagues about their lack of understanding of pensions during the Barclays Pension Review 2009. The programme was designed to help colleagues with their retirement education needs through all stages of their career, providing comprehensive guidance on planning for retirement and on maximising all the benefits offered by Barclays.

Since its launch, more than 5,000 visits have been made to the Vantage website, and 4,600 colleagues have attended retirement planning sessions.

The Vantage programme consists of four sections:

- New joiners - Information on making the most of the pension schemes Barclays offers
- Throughout career planning - Helping colleagues to review and make decisions about their financial future
- Pre-retirement - Designed for members 10 years or less from their retirement, focused on understanding retirement options and purchasing annuities
- Non-members - Aimed at colleagues who are not members of a UK Barclays pension scheme setting out the benefits of company pension scheme membership

Performance and goals

2010 Performance

- 83 per cent of employees surveyed in Group Employee Opinion Survey are proud to be associated with Barclays.
- 24 per cent of senior managers are female across Barclays. While there was a very slight increase in senior executives who are female (15.3 per cent to 16.1 per cent in 2010) and we added two women non-executive directors to our Board, the percentage of senior managers who are female remained flat at 24 per cent.

2010 citizenship priorities	Status	How we performed
Increase development opportunities to current disabled colleagues so they can reach their full potential (Global Retail Banking)	— In progress	We spent more than £1m making adjustments to help improve the working environment for colleagues with disabilities and our REACH employee network influenced helpful changes to processes.
Improve the level of service we provide to disabled customers (Global Retail Banking)	— In progress	In France and Portugal, we built accessibility for disabled customers and colleagues into the redesign of our branches and Barclaycard in the UK worked with disability consultants to design accessible and user-friendly payment machines.
Obtain at least 500 Disability declarations by the end of 2010 (Absa)	✗ Incomplete	The number of disability declarations fell short of the target as a clean up of our data found that some of those people recorded as disabled did not in fact meet the definition criteria as defined in South Africa's labour laws. The December 2010 figure was 350.
Increase percentage of Black senior and middle manager hires (80 per cent) and promotions (70 per cent) (Absa)	— In progress	The percentage of Black senior and middle manager hires reached 81% and the promotions figure reached 66%.
Increase female representation within senior roles (Group)	— In progress	The number of females at senior management levels has remained flat (24 per cent) demonstrating that there is still work to be done to increase the number of women reaching and retaining roles at this level of management. There was a very slight increase in senior executives who are female from 15.3 per cent to 16.1 per cent. Two women non-executive directors also joined our Board.
Increase focus on internal women's networks (Group)	— In progress	There has been a lot of focus on promoting internal women's networks across Barclays resulting in WiNs building stronger ties and even the establishment of some new networks.
Enhance the diversity objective for managers in the Performance Management system (CIB&WM)	— In progress	All Barclays Wealth employees globally have the following objectives: <ul style="list-style-type: none"> — Demonstrate a measurable, personal commitment to Diversity — Model behaviours that support an inclusive culture — Evidence this through definitive examples of participation
Establish and roll out core diversity metrics (CIB&WM)	— In progress	This goal has been rolled up into a Group-wide exercise and is still in the early stages of development, including establishing accuracy of data.
Introduce Annual Diversity Plans to the business in order to track measurable progress against goals (Barclays Capital & Wealth Management).	— In progress	Barclays Wealth and Barclays Capital have been working on this through 2010 and will be ready to fully implement in 2011. In Barclays Capital, the Diversity Business Plans were implemented in early 2011. All business heads will be held accountable to their plan will be reviewed at year end by the CEOs and the Global Diversity Champion.

Become an employer of choice among the disabled community (GRB)	 In progress	Across our businesses in the UK, Europe and Africa we've initiated programmes and services enhancing our offering to disabled people including a confidential helpline and sign language courses for branch colleagues.
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Promoting health, safety and welfare in the workplace

Barclays is committed to maintaining and improving our high standards of Health, Safety and Well-being (HSW). Our aim is to create a working environment around the world that is safe and enhances well-being.

Governance

Our vision for HSW is outlined in our [Statement of Commitment](#), signed by the Chief Executive on behalf of the Board. This is reviewed annually as part of our focus on continuous improvement.

Our Health and Safety Global Standard is reviewed on an annual basis and sets out the Group's expectations for each of our businesses. In 2011, this Standard will be complemented by a new Employee Feedback Global Standard which seeks to introduce more rigorous reporting around feedback from our employees on the issues that matter to them most and on how we can work with them to improve our approach.

Barclays Capital and Barclays Wealth maintain [Occupational Health and Safety Advisory Services](#) (OHSAS) 18001 and [ISO 14001](#) accreditations across its operations in the UK, Europe, UAE, Singapore and our New York/New Jersey campus. In 2010, we started to roll out OHSAS 18001 compliant solutions to Portugal, Absa and our investment banking operations in North America. Moving forward, we will continue to review our programme of roll-out to our remaining locations.

In 2010, Global Retail Banking introduced an auditable Health and Safety (H&S) management tool to increase rigour around H&S due diligence and compliance when we acquire a new business or move into a new market. Within Barclays Capital and Barclays Wealth, a similar trigger is built into the acquisitions process.

Ensuring compliance

Responsibility for compliance to our standards is assigned to local subject matter experts to achieve a balance between Group goals and local requirements.

In each location, compliance with our standards is regularly monitored through a range of risk assessment, testing, reporting and escalation mechanisms as part of our Group-wide Risk and Control framework. Where applicable, this supports local requirements to report H&S matters to external authorities. For example, in the UK businesses, H&S-related incidents have to be reported to the Health and Safety Executive (HSE). These include incidents where a major injury has occurred or where an employee has been absent from their normal work activities for more than three days. As demonstrated by the below chart, reportable injuries to staff have declined year on year since 2008.

	2010	2009	2008
Reportable injuries to staff*	124	130	147
Accident rate/100,000 staff*	181	215	232

*UK only

In 2009, a Group H&S Steering Committee was established to promote knowledge sharing across the Group. The addition of this collaborative working approach across our operations is delivering greater efficiency in identifying and acting upon strategic H&S matters. This will be further developed in 2011.

Training

In 2010, a H&S curriculum was developed and endorsed by the H&S Steering Committee. This will be rolled out to our businesses in 2011 and compliance statistics will form part of a monitoring tool for H&S performance. Bespoke training is equally important and is needed to meet the specific requirements of individual roles, defined risks or local legislative requirements.

Responsibility for H&S lies with each and every employee. To ensure all employees are aware of how to protect themselves and exercise reasonable care for the health and safety of others, a range of training materials are delivered on an annual basis through the channel most appropriate to each region. For example, we use classroom-based training in more remote regions of Africa and online training in the UK.

Trade unions and employee participation

Barclays recognises and engages constructively with over 30 employee representative organisations throughout the world, in addition to work councils in France and Germany. In many locations and businesses, we have collective bargaining arrangements in place, covering various aspects of employment. Where unions are not recognised, we liaise with work councils and employee associations and engage directly with our employees.

On a regional level, Barclays facilitates the Barclays Group European Forum and Barclays African Consultation Forums, which encourage constructive and productive dialogue between colleagues and management from countries where we have a significant business presence, creating a shared agenda to ensure future success for the business.

In the UK, Barclays works in partnership with [Unite](#), the union which represents many of our colleagues. Our five-year partnership agreement builds upon the past 10 years of Barclays and Unite working together, incorporating a focus on diversity and inclusion, learning, and colleague well-being. The partnership has delivered consecutive multi-year pay deals which have provided stability in our industrial relations, even during challenging economic times, and has also delivered a robust agreement on workplace representatives including seconded H&S representatives.

Well-being

Barclays colleagues all over the world enjoy a range of benefits, including private healthcare and flexible working, which vary depending on the region in which they are based.

For example, in the UK, we offer a comprehensive Employee Assistance Programme to all of our employees and their dependants. This is a combination of free counselling services and life management services to support colleagues. The Absa Employee Wellness Programme offers services such as telephone and face-to-face counselling and life management and physical wellness services.

We also offer many of our colleagues medical expenses schemes and access to medical treatment. For example, colleagues in Mauritius receive free medical screening where they can be tested for both diabetes and hypertension, two of the country's most common diseases. In Ghana, colleagues receive free annual medical examinations and are also offered HIV tests.

We recognise the link between volunteering and well-being and encourage all our colleagues to give their time and skills to projects in their local community by supporting them with financial grants and time away from work. We also host an annual [Chairman's Awards event](#), which honours employees from across the business who have shown an outstanding commitment to the communities in which they work - whether through fundraising or volunteering activities. For more information on our community investment programme, see [Investing in our communities](#).

Performance Data

	2010	2009
Sickness absence rate* (%)	3.0	2.3
Turnover rate (%)	16.9	16.9
Resignation rate (%)	10.5	9.9
Employees covered by collective bargaining agreements in the UK (%)	78	Not available
Employees covered by collective bargaining agreements globally (%)	57	Not available
Employee trade union members - global (%)	35	Not available
Employee trade union members - UK (%)	35	Not available

*excludes Barclays Capital



Contributing
to growth

The way we do business

Contributing to growth

Supporting our communities

Performance data and assurance

Contributing to Growth

Direct economic contribution

Barclays believes that the best way that we can support the wide range of stakeholders with an interest in our success is by running a strong, profitable and growing business, which creates jobs and contributes to our communities' economic success. In our view, that is the basis for good corporate citizenship.

By employing 147,500 people around the world, Barclays has a direct contribution to job creation. In 2010, we created more than 2,000 new jobs and hired 1,200 graduates, at a time when other employers were retrenching.

Job growth

- 2,000 new jobs, 80 per cent of which were in the UK
- Created opportunities for almost 3,000 interns since 2008
- 4,000 graduates hired since 2008.

Total tax contribution

Barclays role as a corporate citizen remained a key priority in 2010 and an important aspect of this was the tax contribution made to governments in the countries in which we operate.

In 2010 we made global tax payments of £6,149m, made up of £3,138m of taxes borne by Barclays and £3,011m of taxes collected from others on behalf of governments, principally being employee income taxes which arise through Barclays economic activity. Barclays paid corporate income tax of £1,458m in 2010.

The total tax paid to the UK Exchequer in 2010 was £2,827m, made up of £1,381m of taxes borne by Barclays and £1,446m of taxes collected on behalf of governments which includes £1,347m of tax payments made on behalf of staff.

Tax paid by region

		Taxes borne £m	Taxes collected ^a £m	Total £m
1	UK	1,381	1,446	2,827
2	Americas	506	932	1,438
3	Europe (excluding UK)	721	225	946
4	Africa and Middle East	324	325	649
5	Asia Pacific	206	83	289
	Total	3,138	3,011	6,149

Tax paid by type

		Total £m
1	Taxes collected ^a	3,011
2	Corporate tax paid	1,458
3	Employer NIC/social security payments	736
4	Irrecoverable VAT paid	441
5	Bank payroll tax	437
6	Other	66
	Total	6,149

Note

a. Taxes collected on behalf of governments, including income tax and social security payments for employees (of which £1,347m relates to UK employees).

Supporting growth today

Lending is a fundamental part of what banks do to support their customers and clients. Making credit available, through mortgages to families and providing finance for businesses, contributes to job creation and economic growth.

The supply of credit is critical to economic recovery and, ultimately, growth and is a fundamental part of what banks do to support customers and clients. In 2010, our progress included:

- Provided £43bn of gross new lending to UK households and businesses (including £7.5bn from the acquisition of Standard Life Bank)
- UK home loans balances increased by 15 per cent to £104.9bn.
- Lending in Africa increased by 9 per cent to £54.4bn, including significant increases in credit card and other unsecured loans
- Absa Group loans and advances totalled £48.7bn (ZAR500.1bn), including credit cards which increased significantly to £1.9bn (ZAR19.4bn).

Ensuring that customers can afford to repay credit card debt, loans and mortgages lies at the heart of responsible lending. We have robust processes in place to assess income and existing financial commitments which help us determine a customer's ability to manage their debt. For example, in our credit card business, we undertake regular reviews throughout the customer relationship to ensure borrowing levels remain appropriate and take action where necessary to minimise the likelihood of financial difficulty.

2010 Citizenship priorities	Status	How we performed
Commission external independent research to better understand the needs of financially-stressed consumers	✓ Complete	Commissioned external independent research to better understand how consumers define their financial difficulty and the psychological and emotional effects of moving from good financial health to being at risk of financial difficulty.
Work closely with our customers and clients to support them throughout the economic downturn	✓ Complete	We significantly increased our advice and support for UK businesses during the recession. 80 per cent of the UK small and medium-sized business customers who worked with our Business Support Team were successfully restored to financial health.
Continue to lend responsibly using our risk pricing approach and treat each customer on a case-by-case basis	✓ Complete	Continued to lend responsibly, providing access to credit while basing this on the ability to repay. In 2010, we increased our lending across the UK to £43bn, including £7.5bn arising from the acquisition of Standard Life Bank.

Supporting individuals, households and businesses

Supporting individuals

We work to ensure that those who are experiencing financial difficulty receive the best possible support. We have dedicated teams trained to recognise early warning signs, take proactive steps to contact customers, discuss a range of options available to them that best suit their individual financial circumstances and help get them back on track from arrears. In the UK, this can include:

- Reductions to minimum due requirements for card portfolios
- Short-term reduced payment plans
- Short-term suspension or reduction of interest and charges
- Modification of facilities, for example adjustment of terms and/or interest rates for a longer term solution
- Referring customers to independent debt advice agencies.

Absa rolled out a debt solutions helpline and the Absa Debt Counselling Call Centre to assist customers in distress. The help available includes:

- Restructuring the loan to make the instalment more affordable
- Payment breathers (when unemployment or a disability has led to the problem)

Supporting homeowners

We are committed to helping customers avoid repossession wherever possible and commence proceedings only as a last resort, in line with the UK Government's Pre-Action Protocol. We support the principles of the Government's Homeowner Mortgage Support Scheme by offering comparable support through our own policy and procedures. We also participate in other UK Government initiatives, such as the Mortgage Rescue Scheme, where local authorities, lender and debt advice agencies and housing associations work together to help vulnerable customers stay in their homes. Our own policies allow for:

- Switching from capital and interest to interest only
- Short-term repayment reductions
- Longer-term restructuring of facilities, through term extensions and/or interest rate reductions.

Improving money advice

We have been a regular supporter of the money advice sector, including Citizens Advice, National Debtline and Business Debtline, contributing more than £3m over the last four years and committing another £1m in 2011 to support individuals and small businesses. Our support is not only financial. In 2010, Barclaycard launched [My Money Steps](#) in partnership with the [Money Advice Trust](#). This online service provides free debt advice to individuals and small businesses and provides an alternative route to accessing information on money matters.

“

We are extremely grateful for Barclays loyal support of Business Debtline over the years. By helping to improve the financial capability of the UK's small business owners, our service plays an important role in achieving wider economic stability

”

Joanna Elson, Chief Executive, Money Advice Trust

See our [Investing in communities](#) for more details of our support of financial education.

Providing finance to businesses

Small and growing businesses play a crucial role in job creation and promoting economic recovery and growth. In 2010, we:

- Approved four out of every five business lending applications¹ in the UK
- Supported more than 106,000 business start-ups, an increase of 12 per cent over 2009
- Increased new lending to SMEs in Portugal by 25 per cent to £698m (€810m) and increased Business Banking Current Accounts by 32 per cent
- Returned to sound financial health 80 per cent of the UK SME customers who worked with our Business Support Team
- Offered free seminars to UK businesses and provided training for more than 50,000 business owners over the last four years
- Developed new products and services such as a dedicated SME telephone helpline and [CreditFocus](#), a free credit checking service for UK customers. Around 800,000 companies have been credit checked since the service began, and we have helped businesses to recover £45m of unpaid invoices
- Launched [Barclaycard Freedom](#), a loyalty scheme that allows small independent retailers to leverage scale and customer base and thereby compete with bigger brands. The scheme was launched in March 2010, and now has 30,000 merchants participating.

¹ This figure is a result of average acceptance rates between April and September 2010, for all credit applications for businesses up to £5m turnover. Excludes online applications.

We will continue to provide a range of advice, training and support services to businesses, including seminars, educational guides and networking events in 2011. We will also continue to provide early intervention for consumers and businesses facing financial difficulty.

Working with industry and government

Along with other major UK banks, Barclays has published clear forward statements about our shared expectation to create the capacity to increase lending to the UK SME business sector in 2011 by 15 per cent more than what was delivered in 2010, subject to the appropriate demand materialising.

Barclays participates in government and industry lending schemes where appropriate to do so. In collaboration with other large UK banks, we will support small businesses and entrepreneurship through delivering our commitments as part of the UK [Business Finance Taskforce](#). This includes the creation of a new £2.5bn Business Growth Fund, a transparent appeals process and clear lending principles for micro-enterprises and larger businesses.

In Portugal, our lending to SMEs increased by 25 per cent to £698m (€810m) and Business Banking Current Accounts increased by 32 per cent in 2010. Much of this lending was supported by the government loan scheme PME Investe, where bank lending is partially guaranteed and subsidised by the state. Barclays was one of the top three banks to deliver this scheme, despite our much smaller scale compared to the larger domestic banks.

Supporting entrepreneurship in Africa

Barclays offers a range of advice, training and support services to business customers. Absa Enterprise Development Centres (EDC) have assisted nearly 5,000 entrepreneurs over the last year with financial and non-financial support. Most of these clients were either included in EDC's free training programme or assisted with credit check and company registrations. Absa's Small Medium Micro-Enterprise (SMME) Fund, which was launched through EDC, has grown almost five-fold compared to last year. However, the business failure rate can be high and in response, Absa has implemented an Enterprise Growth Program (EGP), which is a non-financial service offered to assist SMMEs to grow and sustain their businesses. The EGP consists of a business incubator, two-day workshops over seven months and access to a dedicated financial support centre. Last year, 111 SMMEs successfully completed the EGP.

In Zambia, we are helping to empower women to grow and develop their businesses by running seminars on financial literacy. As well as teaching the women management and entrepreneurial skills, this also provides important opportunities for the women to share their experiences.

For more information on how we are supporting the informal self-employed market, see [Increasing access to financial services](#).

Supporting corporate, government and institutional clients

Barclays provides financing, risk management and advisory services to help corporate clients create jobs and grow their businesses, institutional clients to meet the investment needs of an ageing population, and governmental clients to deliver growth and stability.

Capital raising and financing

We enable companies, banks, cities and countries to raise equity capital and issue debt in the capital markets. In 2010, Barclays was a leading participant in the covered bond sector, which helps banks around the world raise funds from investors. Covered bonds are secured on assets held on balance sheets, giving investors greater certainty on the value of the assets leading to a lower cost of funding for the banks. We were involved in nearly £60bn of covered bond issuance in 2010, as part of a total of £162bn of capital raised for banks globally.

During difficult market conditions in 2010, Barclays continued to support governments in raising capital and is a leading liquidity provider to European governments and public entities. Barclays Capital was the top ranked provider of international bonds² for 2010, including sovereign, supranational and agency (SSA) issuers. In Europe, we continued to support sovereign issuance despite the Eurozone crisis in 2010, raising funds for governments such as Spain, Portugal and Italy during turbulent market conditions.

We have also increased our emerging market bond franchise and managed several sovereign and corporate bond issues across Latin America, Eastern Europe, Africa, the Middle East and Asia. In 2010, Barclays Capital was the number one ranked manager of bonds for emerging market governments³, raising a total of £6.2bn in 25 transactions including Peru, Poland, Lithuania, Morocco, Vietnam and Indonesia.

²Source: International Financing Review

³Source: Dealogic

Barclays was the number one manager of bonds for emerging market governments, raising a total of £6.2bn in 2010.

Supporting clients in making investment decisions to help them achieve the returns they need for their customers

Barclays Capital provides services to the pensions industry to help pension funds better meet their future obligations to their members. This means working with our pension clients to design investment strategies and funding policies that maximise the value of the fund assets as well as risk management programmes that reduce risks such as exposure to market fluctuations, foreign exchange volatilities and inflation risk - all of which helps the pension industry improve the provision that it offers pension savers around the world.

Helping clients manage risk and exposure from foreign exchange and interest rates fluctuations, to the varying price of commodities

Barclays Capital has been mandated by the UK [Department for Environment, Food and Rural Affairs](#) and the [Rural Payments Agency](#) to help them manage foreign exchange risk in connection with the Single Payment Scheme (SPS). The SPS is a European subsidy paid to UK farmers and amounts to around £3.2bn each year. SPS claims are made in Euros and the conversion rate is fixed at a specific point in time, but the disbursements to farmers take place five months later in Pounds. We also provide services to individual farmers. Barclays Corporate helped a UK farm to hedge interest rate and foreign exchange risks associated with the subsidy it received through the SPS. The hedging protects the farmer from any depreciation in value of the Euro against the Pound in the time between claiming and receipt of the subsidy.

Strategic and financial advice

[The Federal Deposit Insurance Corporation](#) (FDIC) in the United States has a responsibility as a receiver of assets from failed institutions to liquidate those assets at the highest value possible. Barclays Capital served as the sole bookrunner, structuring agent and financial advisor to the FDIC on the structured sale of Guaranteed Notes backed by assets from failed bank receiverships. This is an innovative way of realising value for the assets and generates greater returns for the US taxpayer.

Helping our clients invest in growth tomorrow

Growth needs to be sustainable over the long-term and deliver benefits across societies in order to be inclusive. Social and environmental challenges have the ability to constrain future growth prospects through the impact of issues such as natural resource depletion, poverty and climate change. We are helping our customers, clients and other stakeholders invest in ways that will contribute to sustainable growth tomorrow.

Financing development

Investing in Africa

There is a strong correlation between a country's access to infrastructure and its economic growth rate. Africa's geography, combined with its history, has resulted in a far greater need for infrastructure development than most other continents, particularly transport, telecommunications, water and power.

Absa Capital provides development capital for new infrastructure projects and expansion capital for existing infrastructure-related companies across the continent. Absa Capital has a division dedicated to providing financing for infrastructure investments across the region.

Absa's Structured Trade and Commodity Finance has entered into an agreement with the [International Finance Corporation](#) (IFC) with regard to their Global Trade Finance Programme. This is aimed at facilitating and meeting the growing demand for trade finance activities across the African continent, integrating Africa more closely with the global economy and driving economic growth across the continent. Negotiations to support the collateral financing and hedging of agricultural commodities are in an advanced stage with the IFC. The proposed structure is designed to improve food security in sub-Saharan Africa, promote investment in food growing and allow for improved participation by small food growers and producers in the food value chain.

Expanding access to broadband

Barclays Capital recently acted as sole advisor to Avanti Communications Group plc which provides satellite broadband services, in addition to acting as sole lender to a financing which is to be used to fund the launch of the HYLAS 2 Satellite, which will deliver high-speed low-cost broadband services across the Middle East and Africa. Satellite broadband begins where fixed-line and mobile networks end, providing universal coverage without facing the limitations experienced by traditional communications networks, and for example enabling broadband access for dispersed rural communities in Africa.

Enabling access to capital markets

Barclays is also active in helping a range of public sector bodies to raise funding from the capital markets for essential infrastructure projects.

In Russia, we raised a £1bn (US\$1.5bn) bond for Russian Railways to help finance an important infrastructure company. A further £855m was raised for the Kingdom of Morocco for a mixture of infrastructure and social support measures, while in Nigeria, Barclays financial advisors supported the country as it set about raising debt in the international bond markets.

In Absa, Barclays helped raise funding for government-owned companies called 'parastatals', such as Eskom the national electricity provider, which delivers essential public infrastructure services.

Building a low carbon economy

Renewable energy finance

Barclays is providing financial solutions across renewable energy markets and cleantech companies with dedicated resources in equity, debt, private capital markets, advisory services, and research. Through Barclays Capital's Cleantech initiative, the firm has built on its historical expertise and experience in the alternative energy generation industry and its more recent efforts relating to emerging technologies and industrial clean technology. This coordinated advisory and financing approach further assists clients interested in new clean forms of energy generation, energy efficiency, and maximising the value of natural resources across all industry sectors.

In addition, the Alternative Energy Group is active across renewable energy generation technologies, including wind, solar, energy-from-waste, and geothermal.

In 2010, Barclays was involved in more than £7bn worth of transactions across the clean energy and broader clean technology sector globally, spanning across our business lines in investment and corporate banking.

Alternative Energy and Industrial Cleantech Groups

In 2010, Barclays Capital was involved in several transactions across the broadly defined clean technology sector. Examples include arranging:

- A £84.5m (US\$131m) private capital raise for an electronically tintable glass company
- The £66.5m (US\$103m) IPO of a high-brightness, light-emitting diode (LED) chip and component maker
- A £18.7m (US\$29m) follow-on equity offering for a Chinese plate heat exchanger manufacturer (the firm's first sole book-run equity transaction for a Chinese issuer)
- A £15.5m (US\$24m) private capital raise for a leading provider of advanced energy storage and smart grid solutions.

In the alternative energy generation sector, some of the deals Barclays Capital was involved in include:

- Arranging a £2bn (€2.3bn) IPO of a European renewable power generation business (the largest renewables IPO since 2007),
- Advising a major electric utility on their £581m (US\$900m) acquisition of a wind power portfolio (the largest ever US wind acquisition based on operating capacity and the largest M&A deal in the renewable energy sector year to date)
- Arranging a £258m (US\$400m) bond offering for a leading energy-from-waste company
- Arranging a £226m (US\$350m) bond issue for a leading operator of geothermal energy plants in Indonesia
- Advising a US solar products and services company on their £290m (US\$450m) transfer of ownership and project financing of a major solar PV power plant, among others.

Helping the US public sector reduce emissions

In 2010, we served as senior manager on Southern California Public Power Authority's £153m (US\$237m) renewable energy prepayment transaction for its participation in the 203.5 MW Milford I Wind Project. The financing was recently awarded Bond Buyer Deal of the Year and was recognised as an example of the collaborative efforts of the public and private sectors to finance renewable energy projects at competitive rates.

We also served as joint book-running manager on the Los Angeles Department of Water and Power's inaugural Clean Renewable Energy Bonds (CREBs) and Qualified Energy Conservation Bonds (QECBs) transaction. Proceeds were used to finance an expansion of the Department's Pine Tree Wind project, and the construction of the Pine Tree Solar project and Adelanto Solar project. The deal was structured to benefit from federal subsidies that were available to qualified projects and helped us dramatically reduce the cost for the Department's £90.3m (US\$140m) financing.

Carbon markets

Barclays has been at the forefront of emissions trading since the EU trading scheme began in 2004 and our achievements have been recognised with a host of industry awards.

Barclays is a leading provider of liquidity in the carbon markets and, since 2004, 5.4bn tonnes of carbon have been traded with a notional value of £68.5bn.

Our experience in carbon trading has also seen us become key partners to a range of major utilities, large industrials, governments, carbon funds and project developers.

Throughout 2009 and 2010, we worked with the Norwegian Government to sell 12.7m tonnes of credits, as well as helping two other EU countries to meet their emissions targets under the Kyoto Agreement.

Barclays has also been appointed by the World Bank to administer the [UN's Adaptation Fund](#), and Barclays Capital is working with the European Commission, as well as the UK and Dutch Governments, to organise the auction of carbon allowances.

Barclays Capital is one of the most active participants in the £93bn (US\$144bn) global carbon emissions market and in 2010, it cemented this position with the acquisition of the Swedish company, Tricorona, which specialises in carbon trading from Greenhouse Gas reduction projects in developing countries. Barclays has also supported the US carbon market and carried out the first compliance trade for the new California emissions trading regime.

The new world of social finance

There is growing interest in the emerging concept of social finance, also known as social or impact investment, which refers to new forms of allocating capital with the aim of generating specific social or environmental benefits.

This may include investing in funds that provide finance to social enterprises through to new financial instruments and the formation of specially-designed social stock markets.

Barclays is an existing investor in some high-profile social investment funds, particularly Bridges Ventures, which provides private equity investment to businesses in disadvantaged areas.

Providing existing social investment opportunities to clients

Investment managers at Barclays Wealth provide clients with opportunities to invest in specific environmental or social funds, as well as providing ethical screening for portfolios.

Barclays also offers clients a range of themed funds, including low carbon Venture Capital Trusts, Enterprise Investment Schemes and Exchange Traded Funds, which focus on clean energy, and socially responsible investment funds.

We are also one of the largest managers of charity assets in the UK with a dedicated team overseeing around £2bn in assets under management for some of the UK's largest charities.

Understanding the new world of philanthropy

We offer a dedicated advisory service to clients interested in philanthropy, from advising on setting up foundations to funding and developing engagement strategies for specific causes. We published a [series of reports](#) on global trends in this area, including *Tomorrow's Philanthropist*, which looks at how philanthropic habits are evolving and the growing convergence of the worlds of charity and business.

Our focus for 2011

We are committed to exploring Social Finance further in 2011, starting with commissioning research to look at the role of innovation and partnerships between private, public and non-profit providers of capital. We are also exploring the feasibility of more direct interventions, particularly the creation of an [African Carbon Fund](#) to provide concessionary finance to carbon offsetting projects that deliver strong social benefits to low-income communities in Africa.

In collaboration with other large UK banks, we will also support the establishment of the Big Society Bank in the UK, to act as a sustainable provider of wholesale finance to social investment intermediaries.



Supporting our
communities

The way we do business

Contributing to growth

Supporting our communities

Performance data and assurance

Supporting our communities

Financing social infrastructure

Governments around the world are increasingly working in partnership with both the private and non-profit sectors to deliver social infrastructure services that communities need, such as schools, hospitals and housing. These projects are capital-intensive, and require financial solutions that can mobilise capital at the scale required while managing risk.

Funding frontline healthcare facilities in the UK

Over the last decade, the Local Improvement Finance Trust (LIFT) has helped to improve and develop frontline primary and community care facilities in some of the UK's most deprived communities.

Barclays is a significant provider of finance to investor in the public-private sector partnerships responsible for delivering LIFT. In 2010, we lent £120m, leading to a total of £500m in senior debt finance provided to LIFT to date.

Working with charity providers

Barclays Corporate has also worked with its clients in the charitable sector that provide healthcare services. Barclays helped an existing client provide greater access to domiciliary care and supported living.

Affordable housing

In the UK, we helped several leading social housing associations raise capital through bond issues. This included £300m for the London and Quadrant Housing Trust, one of the largest providers of social housing in the UK, and £320m for the Sanctuary Group, who we helped to increase the size of a previous bond to fund new property development.

Absa's affordable housing division assists in providing access to housing, through an end-to-end housing solution for individuals or households. Borrower education is provided to customers, which teaches customers all aspects of home ownership. Absa has an affordable housing portfolio spread across six provinces. To date, we have managed the construction and delivery of over 8,000 housing units in partnership with all levels of government.

In the affordable housing sector, Barclays Capital served as bookrunning senior manager for a number of our US state housing finance agency clients, including Idaho, Massachusetts, Michigan, Pennsylvania and Utah. We helped these clients raise a total of £558m (US\$865m) for the construction and financing of multi-family and single family housing for low and moderate-income residents. Barclays Capital also provided liquidity facilities to Colorado and Michigan for a total of £125.8m (US\$195m) to help them to repay expensive bank borrowings in an environment in which liquidity was otherwise unavailable. In addition, we raised £173m (US\$268m) of pass-through certificates to help a consortium of insurance companies finance a portfolio of mortgages, secured by affordable multi-family properties throughout the country.

Social transport

[Motability](#) is the largest car leasing company in the UK and provides affordable cars to people who receive mobility allowances. Throughout 2010, we helped the charity raise over £1bn in the capital markets, with proceeds used to partially pay down bank debt and also to expand the range of vehicles in its portfolio.

Investing in our communities

Supporting our communities is important to Barclays and we seek to make a lasting positive impact in the areas where we operate. Our programmes are focused on supporting enterprise, providing access to financial services and helping disadvantaged people build the confidence and skills required to develop a secure financial future. We will accomplish this both through global partnerships with major international charities and local initiatives driven by the passion and energy of our colleagues.

By utilising the skills, experience and motivation of our people and aligning our volunteering and community programmes to core business activities, we aim to maximise our contribution as a corporate citizen. In 2010, we invested £55.3m in communities around the world.

Highlights of our global community investment programme include:

- Supporting projects in 37 countries
- Reaching more than 1.5 million people
- Providing support for more than 8,000 organisations
- Involving more than 62,000 Barclays colleagues through volunteering, fundraising and giving.

Stakeholder engagement

In 2010, we began a strategic review of our community investment programme by consulting a wide range of stakeholders, from customers to NGOs and commissioning independent research across nine countries.

As a result of this feedback, and in order to maximise our impact, we are further aligning community investment to our core business.

Enterprise and employment

Barclays supports enterprise and employment through our community investment programme.

With a focus on vocational training, interview skills and work experience opportunities, many of our programmes empower people from vulnerable communities, helping them to develop some of the vital skills they need to achieve a brighter future.

In 2010, Barclays facilitated work placements for more than 5,000 people and helped 40,000 entrepreneurs develop their business ideas in disadvantaged communities around the world.

Supporting young entrepreneurs

Barclays Capital has been working with [Youth Business International](#) (YBI) since 2007, providing young people around the world with opportunities to build businesses, in turn creating jobs and contributing to local economic development.

In 2010, YBI helped launch more than 6,000 businesses, bringing the total number of entrepreneurs the programmes have supported to over 100,000. Research has shown that approximately 70 per cent of these businesses are still trading after three years.

“

Barclays has been instrumental to the development of the Youth Business International Network. They are much more than just a supporter – they are a partner for sustainable growth, long-term impact and the development of youth entrepreneurship globally

”

Andrew Devenport, CEO, Youth Business International

The important role that younger generations play in revitalising an economy is also at the core of Barclays [Building Young Futures](#) programme.

In 2008, we invested £5m into a three-year partnership with [UNICEF](#) which is reaching thousands of young people in 13 different countries, providing them with improved access to education and training. To date, over 477,000 have benefited from the project and around 125,000 of these have directly accessed vocational or business skills training.

Giving disadvantaged young people the opportunity to turn their great ideas into great businesses is the objective driving '[You Can B](#)', a three-year, £1.5m (US\$3m) partnership between Barclays and [Junior Achievement Worldwide](#).

The partnership is investing in creating opportunities for at-risk, unemployed or out-of-school young people in 13 countries. It uses the latest technology, including hand-held devices so that even students living in remote areas can have access to the programme. To date the partnership has reached over 15,000 students in Africa.

“

Today's young people are tomorrow's consumers, entrepreneurs, employees and leaders. Working with young people to develop their skills and potential is important to the sustainability of any business

”

Will Derban, Head of Community Relations, Barclays Africa

Financial capability

In 2010, we delivered more than 8,500 financial capability workshops and reached more than 600,000 people through seminars and online content designed to help people improve their skills and confidence in money management.

In the UK, [Barclays Money Skills](#) is our flagship financial capability programme, representing an investment of £15m over three years. We have developed a range of projects and tools with our key partners to help vulnerable young people build the skills and confidence they need to manage their money effectively. In 2011, we aim to help more than 300,000 people improve their financial capability through this programme.

Our partnership with [Action for Children](#), one of several launched as part of Barclays Money Skills in 2010, believes that addressing financial exclusion and improving financial capability is essential to improving the life chances of young people. As part of this project, money management sessions involving Barclays volunteers are providing young people with a clearer understanding of their financial options.

Our [Barclaycard Horizons](#) programme, in partnership with [Citizens Advice Bureau](#), [Family Action](#) and [Gingerbread](#), supports lone parents and their children through a programme of debt advice, financial literacy training and grants for education. Since 2005, Barclaycard has invested more than £7m in the Horizons programme and in 2010 alone we reached more than 130,000 lone parents and their children in the UK.

Access to finance

We have a number of community investment programmes designed specifically to help tackle financial exclusion.

The [Banking on Change](#) partnership with NGOs [CARE International](#) and [Plan UK](#) is a three-year, £10m commitment launched in 2009.

The aim of the partnership is simple – to help encourage innovation and accelerate sustainable access to basic financial services for approximately 400,000 people across Africa, Asia and South America.

Savings-led community finance groups have now been established in 11 countries and Barclays Africa is developing bespoke financial products and services specific to their markets. The project gives individuals the opportunity to save regularly and helps communities realise their basic needs, build their assets and earn a secure income. Almost 100,000 people have already joined 5,000 groups, and collectively saved nearly £1.3m.

For more information, see [Increasing access to financial services](#).

Employees in the community

Barclays recognises the significant role that its employees can – and do – play in supporting their local community. As well as involving employees in major community investment partnerships, Barclays offers a comprehensive range of support for volunteering, fundraising and regular giving.

In 2010, our employees spent over 350,000 hours volunteering in their communities and raised more than £21m for local charities through our matched fundraising and payroll giving initiatives, all in support of the causes they feel passionately about. In 2011, we aim to further increase the number of employees participating in Barclays community investment programme.

[Make a Difference Day](#) encourages employees worldwide to volunteer their time in support of the causes they care about most. In 2010, employees from 32 countries and every Business Unit participated in this annual event.

Employees are encouraged to choose who they wish to support in their local community. For example, Sol Moreno de los Rios from Spain, the overall winner of Barclays 2010 Chairman's Awards, has supported the Down's syndrome charity [Fundación Prodis](#) for more than ten years and raised more than £85,000. Sol also runs mentoring groups, teaching children with Down's syndrome vital life skills to support their integration into mainstream society.

[Read more and watch videos of our Chairman's Awards event](#).

Barclays employees also use their professional skills to make a difference. For example, colleagues at Barclays Capital in New York have teamed up with microfinance specialist Women's World Banking (WWB) to create capital market guides for potential microfinance issuers and investors in Mexico and Brazil. The guides were launched at the 2010 WWB conference and more than 600 have been distributed or downloaded.

Alongside the impact on their local communities, we also know that employees themselves benefit from volunteering, through the development of new skills, stronger relationships with their colleagues and a closer engagement with Barclays.

2010 Citizenship priorities	Status	How we performed
Review our global community investment strategy to ensure our programmes are best positioned to address emerging social and economic challenges	✓ Complete	We began a strategic review of our community investment programme by consulting with a wide range of stakeholders, from customers to NGOs, as well as commissioning independent research across nine different countries. As a result of this feedback, and in order to maximise our impact, we are now redefining our programme with a renewed focus on aligning it to our core business
Expand participation in our Make A Difference Day campaign to include Absa	✓ Complete	More than 19,000 colleagues participated in Make a Difference Day , with representation from 32 countries, including colleagues within Absa
Reach 80,000 people with Barclays Money Skills programme	✓ Complete	Reached more than 390,000 people through a combination of face-to-face seminars and online content

Increasing access to financial services

The World Bank estimates that just 26 per cent of the world's population has access to formal financial services. In the UK alone, 850,000 adults live in households without access to a bank account, and in sub-Saharan Africa, it is estimated that 80 per cent of the adult population do not have access to formal financial services.

Barclays recognises that increasing access to banking is a critical pillar of economic activity and an important factor in alleviating poverty. Through the development of products, partnerships and investment programmes, we are working to increase the number of people who have access to financial services.

Our strategy for financial inclusion

Barclays approach to financial inclusion is based on four key themes:

- Developing the supply of inclusive financial products
- Developing effective channels to support the provision of these products
- Working with organisations that share our commitment
- Commissioning research to help us understand how we can best address these issues.

In the UK, we work hard to ensure that potentially excluded people are supported with a fully transactional basic bank account. Our Cash Card Account has more than one million customers, of which approximately 87,000 live in deprived areas of the UK. Barclays is one of only two UK banks to allow undischarged bankrupts to open an account.

In 2010, we increased entry level banking accounts by 11 per cent to 3.5 million across all markets.

In Africa, Asia and South America, we have partnered with NGOs [CARE International](#) and [Plan UK](#) to identify ways in which we can better extend access to basic financial services. One of the ways we have done this is through developing and promoting an account specifically for community savings groups, such as Village Savings and Loan Associations (VSLA), which enable members from local communities to access and safely deposit their money. Through a simple account, these groups are better placed to increase their savings and, as a result, improve their earnings potential. In 2010, 87 VSLA groups in Uganda opened these accounts, and the scheme will be rolled out across the country in 2011. For more information on this partnership, see www.barclays.com/community.

Absa serves 1.2 million people, many in rural areas, who receive monthly social grant benefits by providing cash pay points.

In 2010, Absa created the Entry Level and Inclusive Banking (ELIB) Unit to focus on enhancing its product offering to lower income customers. This includes transactional, savings, loan and insurance products such as the Mzansi account, a basic transaction account, and the Sekulula, a debt card account which helps those on government benefits gain access to the financial system. In 2010, Sekulula grew by 14 per cent from 838,000 accounts to 956,000 accounts. Mzansi decreased from 840,000 to 837,000 accounts primarily due to the launch of a number of other ELIB products, such as Micro Enterprise Finance (MEF) loans. In 2010 these loans increased from 3,000 to 5,000 as a result of improved efficiencies, faster turnaround times and extended reach of the services.

Absa performance

	2010	2009
Number of entry level customers (millions)	7.2	6.9
Percentage of entry level customers to total customer base (%)	65	63
Number of Mzansi accounts	837,000	840,000
Number of Sekulula accounts	956,000	838,000
Number of new small business loans approved	12,000	15,000
Number of new micro enterprise finance (MEF) loans approved	5,000	3,000

The Absa Micro Enterprise Finance (AMEF) unit is dedicated to helping low-income individuals develop income-generating activities. The AMEF has an initial focus on lending products, such as the Absa Siza Loan, in which Community Finance Officers are responsible for establishing relationships with customers, conducting credit assessments, making loan recommendations to credit committees and ensuring loan repayment.

Other elements of our financial inclusion programme include improving services to the unbanked through branchless banking services such as in-store point of sale terminals and mobile phone based technology. In addition to the Mobile Banking Lite service, Absa's CashSend service allows customers to send cash to anyone in South Africa with a mobile phone, allowing the recipients to withdraw the cash at an ATM without the need of a card. Over 75,000 CashSend transactions are made each month with a value of £2.7m (ZAR30m). We are also expanding mobile banking to Ghana, Uganda and Zambia and enhancing our [Hello Money](#) services in Kenya and Botswana, which we intend to expand into other countries during 2011.

For more information on financial inclusion in South Africa, see the [Absa Report](#).

Working in partnership

We recognise that financial inclusion is not a problem we can solve on our own. In our view, the key to promoting financial inclusion is effective collaboration between governments, banks, the community finance sector and charities.

The long-term financially excluded are among the hardest to reach in society. To reach them, we often have to partner with organisations that are able to improve our access to and understanding of these vulnerable groups. For example, through our [Banking on Change](#) partnership, Barclays will reach up to 400,000 people in remote or deprived areas of Africa, Asia and South America.

Approximately 70 per cent of individuals in the UK who are considered as financially excluded are also social housing tenants. Barclays is working in partnership with the [Money Advice Service](#) (formerly the Consumer Financial Education Body) to help raise awareness of the support services available and the appropriate financial services for these individuals. In 2010, we funded two financial inclusion officers in partnership with the [Money Advice Service](#) to work within the affordable housing sector and assist in developing strategies to promote financial inclusion and capability management among tenants and residents.

Absa's Affordable Housing division assists in providing access to housing, through an end-to-end housing solution for individuals or households earning less than £1,370 (ZAR15,498) per month. Borrower education is provided to customers, which includes training on all aspects of home ownership. To date, Absa has managed the construction and delivered over 8,000 housing units in partnership with all levels of government.

Through working with community finance organisations, we are able to reach individuals whose financial needs may be better served by credit unions than by mainstream financial institutions. Our partners include the [Association of British Credit Unions Limited \(ABCUL\)](#) and the [Community Development Finance Association \(CDFA\)](#). Barclays was the first bank to fund the community finance sector and has invested over £3m since 2004, supporting more than 100 individual credit unions and Community Development Finance Institutions (CDFIs).

In 2011, we will launch a £1m Community Finance Fund, which will provide short term grants for credit unions and CDFIs over the next three years.

Deanna Oppenheimer, Barclays CEO, Western Europe and UK Retail Banking and Vice-Chair, Global Retail Banking, is a member of the UK Government's Financial Inclusion Taskforce, allowing Barclays to play a proactive role in helping shape the UK financial inclusion agenda.

“

Barclays has been a substantial long-term supporter of a whole range of Citizens Advice work at both national and more local levels, particularly on money agenda issues. We have established an exceptional partnership on both delivery and policy issues. It has enabled us to substantially expand bureau capacity to deliver financial capability help to low-income groups. We might have our occasional differences, but recognise Barclays significant contribution in a number of other areas like basic bank accounts

”

Gillian Guy, Chief Executive, Citizens Advice Bureau

Thought leadership

In 2010, Barclays commissioned a number of independent research pieces to better understand the needs of unbanked customers and inform the financial inclusion agenda.

- [Banking for Billions](#), the second publication in Barclays Social Intelligence Series, examines how financial services are accessed across the world and shows a strong consensus on increased levels of financial inclusion having the potential to reduce global poverty and nurture economic development
- [Wider research](#) into the issues faced by the unbanked, undertaken through a survey of our Cash Card customers
- Detailed studies into the financial needs of savings groups in rural and urban areas. Working alongside [CARE International](#) and [Plan UK](#), this research has helped us to assess the viability of providing banking products in Ghana and Kenya.

For more case studies, visit www.barclays.com/citizenship

Performance Data

2010 Citizenship priorities	Status	How we performed
Examine Cash Card and UK Treasury's unbanked research to inform financial inclusion strategy and participate in new government initiatives	✓ Complete	Supported Financial Inclusion Taskforce on research into the unbanked and commissioned research into our Cash Card customers
Launch the Banking on Change partnership in all delivery countries and set up a project to link the groups to formal banking	✓ Complete	Launched the Banking on Change programme in all 11 delivery countries. As part of in-country activities, linkages to financial institutions have been prioritised for Uganda, Ghana, Kenya and Tanzania
Expand mobile banking to Ghana, Uganda and Zambia	✓ Complete	We expanded mobile banking to Ghana, Uganda and Zambia and enhanced our Hello Money services in Kenya and Botswana
Launch initiatives to help vulnerable customers in the UK	✓ Complete	Continued to provide assistance to customers with concerns about their future ability to meet their mortgage commitments through our UK Retail Banking Mortgages Customer Review team
Increase Barclays financial support and engagement with the money advice sector	✓ Complete	We have been a regular supporter of debt advice services, to Citizens Advice and the Money Advice Trust , contributing more than £3m over the last three years

Managing our impact on the environment

Climate change is a global social and economic challenge set to affect us all for generations to come. We believe that banks can play a part in helping society address this global challenge by not only taking proactive steps to reduce the direct impact of our operations on the environment, but also by recognising that we can have a greater impact through our lending and investment activities.

Barclays Climate Action Programme 2011-2015 is focused on the areas where we have the greatest potential to make a difference, including:

- **Developing products and services** – We will continue to help enable the transition to a low carbon economy, such as through financing and risk management solutions to enable capital to flow to lower carbon opportunities, see [Helping our clients invest in growth tomorrow](#)
- **Managing climate change risks** – We will continue to collaborate with other stakeholders to manage the risks of climate change to our operations, our customers and clients and to society at large. See [Environmental and social risk management in lending](#)
- **Managing our own carbon footprint** – We are committed to reducing our absolute carbon emissions by 4 per cent by 2013, while continuing to offset the remainder and creating an African Carbon Fund to supply seed capital to carbon mitigation projects in Africa.

Managing our carbon footprint

We are continually improving to improve the way in which we collect and monitor environmental data and recognise that our targets must take into consideration changes in our structure and operations, as well as improvements in data quality. We are committed to being open and transparent about this process, and as such our environmental data is independently verified and assured by [Ernst & Young](#).

In our 2009 Review, we committed to improving our environmental data collection processes going forward. In 2010, we moved to a new data management protocol which follows the [Greenhouse Gas Protocol](#) in rebaselining emissions as the result of significant business changes including acquisitions and divestments. In setting the revised 2009 baseline, we removed Barclays Global Investors (sold in 2009) and added in third party data centres.

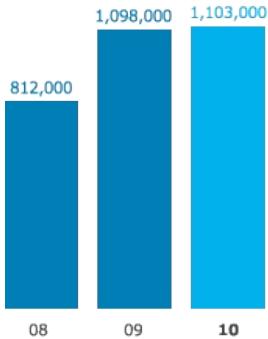
Although we have improved data collection in our international operations, including Africa, we still have challenges in getting credible data across a dispersed retail network outside Europe. This is a challenge for similar businesses operating in those regions. During 2010, two separate external audits led us to restate 2009 emissions for Absa, with an increase of 58,000 tonnes. We remain committed to further increasing accuracy during 2011.

Total emissions remained stable between 2009 and 2010, primarily through a change of energy mix for the headquarters in South Africa. Absa Towers has installed a gas powered energy centre which provides lower carbon energy compared to coal powered grid electricity. We nearly met our target to reduce emissions per employee by 2 per cent, achieving a reduction of 1.81 per cent, but missed our energy and water targets. We have reaffirmed our commitment by setting a new absolute emissions reduction target of 4 per cent by 2013, over a 2010 baseline.

Environmental footprint	2010	2009	2008	% Change 2009-10
Total emissions (tonnes CO ₂)	1,103,000	1,098,000	812,000	0.44
Total energy Use in buildings (gWh)	1,222	1,168	1,082	4.62
Total Energy Use in Data Centres (gWh)	322	330	128	-2.42

Performance against Targets	2010	2009	2008	% Change 2009-10
Carbon: CO ₂ tonnes per FTE (-2%)	7.48	7.62	5.31	-1.81
Energy: kWh per FTE - excluding data centres (-2%)	8,287	8,097	7,081	2.36
Water: m ³ per FTE - UK only (-2%)	14.07	13.87		1.43
FTE	147,500	144,200	152,800	2.29

Total emissions (tonnes CO₂)



We use estimates where data is not available due to lack of meters, shared sites or other reasons. Approximately 35% of our global emissions data (primarily the retail network in emerging markets) is currently based on the estimates and we aim to reduce this over time. We will also enhance our current estimation methodologies in the light of emerging best practice.

Figures opposite are rounded

Total emissions by scope 2010



- 1 Scope 1: direct combustion of fuels and company owned vehicles. 57,000
- 2 Scope 2: purchased electricity. 936,000
- 3 Scope 3: indirect emissions from business travel 110,000

Carbon Reduction Commitment

The Carbon Reduction Commitment (CRC) is the UK's mandatory climate change and energy saving scheme. Barclays is a full participant in this scheme and work is currently under way to meet the requirements for the first (introductory) phase. We are on track to be fully compliant with the new UK regulatory regime for carbon under the CRC.

We have a robust structure to manage the environmental impact of our global operations. Our Group Operations Committee oversees environmental issues and executives within each business cluster are accountable for environmental sustainability in each region.

Initiatives in place to meet our targets include:

- **Work on data centres** - Our data centres globally achieved an absolute reduction in energy consumption in 2010. Since 2008, we have been working to manage the impact of our data centres by increasing utilisation and efficiency, and investing in technology rather than building new centres to meet increased demand. In 2010, our data centre in Slough achieved a [BRE Environmental Assessment Method](#) (BREEAM) rating of excellence
- **Sustainable building design** - By embracing energy efficient designs we have significantly cut energy use across our property portfolio. For instance, new LED lighting for rooftop signage on our New York office is significantly more efficient than a conventional system. In Tokyo, we opened an office which achieved a Gold Leadership in Energy and Environmental Design (LEED) rating due to features such as high efficiency air conditioning units and low-flow water devices. In addition, the new Absa head office building in Johannesburg is expected to save 19,000 tonnes of carbon dioxide a year and its grey water system could save 43,000 litres of water a day
- **Environmental standards certification** - Business Unit coverage of the [ISO 14001](#) Environmental Management System in 2010 was extended to include the Barclays Capital and Wealth operations in Birmingham in the UK, Moscow, Singapore and the key New York/New Jersey operations in the US. This brings more of our business areas in line with internationally recognised sustainability guidelines. The Carbon Trust Standard was achieved by Barclays Capital operations in the UK in March 2010 and work is continuing to achieve the Standard in the Group head office and the UK retail branch network
- **Energy management programmes** - Monthly analysis of the top 50 buildings across Barclays Group have been established including detailed analysis and review of energy consumption and trends. The top 50 global properties account for just over 50 per cent of our global energy consumption.

Carbon offsetting

Our commitment to managing our carbon footprint focuses primarily on minimising our direct impact on the environment through our Group-wide environmental management systems. In addition, we offset the remaining emissions through the purchase of carbon credits.

The carbon credits we purchase are, as a minimum, certified to the [Voluntary Carbon Standard](#) (VCS), which shows that the projects genuinely help to reduce CO₂ emissions and are both auditible and traceable. We purchase a range of carbon credits, some where the emissions reductions have already taken place, and some which will take place in the future. While all projects selected by Barclays have been validated under either Gold Standard or VCS, some ongoing projects are still awaiting issuance of credits.

Through offsetting, we are able to help fund projects that deliver equivalent CO₂ savings, either by improving energy efficiency or by generating renewable energy. Some projects also generate environmental and social benefits through their implementation. For example, we are supporting the delivery of 15,000 carbon credits for a reforestation project in Brazil. While creating CO₂ savings is the project's primary goal, it also helps to create employment opportunities as well as building the knowledge and skills required by local communities to manage forests sustainably. [Read more about our offsetting projects](#).

In 2010, we purchased 1,192,000 carbon credits from projects in Brazil, China, India, South Korea, Tanzania, Kenya and Thailand. This purchase offset global carbon emissions from energy use and travel totalling 1,005,000 tonnes of CO₂ reported in 2009 and an additional 133,000 tonnes of CO₂ for 2008, which was captured as part of our improved data management and estimation methods. These efforts helped Barclays to meet our global offsetting commitment for a second consecutive year based on 2009 reported carbon emissions. We do not procure offsets to account for the carbon emissions associated with structural changes in the business.

African Carbon Fund

Carbon finance can provide powerful social and economic benefits for low income communities in Africa, but there are significant challenges in delivering high social impact carbon reduction projects. Barclays is partnering with carbon project developers, NGOs and other stakeholders to identify effective solutions. We are also actively working on establishing an African Carbon Seed Fund, which will function as a sub-commercial vehicle to provide start-up capital to small-scale projects that cannot access commercial finance. We hope this will act as a market catalyst and test new seed-funding models and methodologies, helping to channel more carbon market flows to African projects in rural energy, agriculture and ecosystem services.

We are already actively engaged in exploring new models for African carbon finance with strong social impacts. In partnership with the [Shell Foundation](#), we are launching a £516,129 (US\$800,000) Carbon Pre-Finance Facility to prove the concept of generating carbon revenues to increase the affordability of new technologies that deliver socio-economic, health and environmental benefits for low-income users.

The project will enable [Envirofit International](#), a social enterprise, to scale up its distribution model for improved cookstoves and reduce cost for the end consumer by factoring in carbon revenues. The project will not only reduce emissions, it will also catalyse a host of other benefits including reduced indoor air pollution, increased fuel efficiencies and social benefits such as reduced time spent collecting firewood.

Influence and colleague engagement

Barclays encourages colleagues at every level of our organisation to engage in the climate change debate. This involves seeking input from colleagues and NGO experts to shape our Climate Action Programme and using the influence of our senior leaders in business forums. For example, Antony Jenkins, Chief Executive, Global Retail Banking, sits on the Confederation of British Industry's Climate Change Board, while Peter Hepenstall, Vice President, Risk and Environment (APAC Region), Barclays Capital, spoke at the British High Commission Climate Policy conference in Singapore in September 2010.

Also in 2010, current Chief Executive Bob Diamond took part in the [Clinton Global Initiative's](#) panel which explored how organisations can research and develop better business practices to meet social and environmental goals while still producing profits. Absa is also part of the National Climate Change Council (NCCC) set up by the South African government.

We engage with Barclays colleagues through internal communications, environmental awareness days and events such as Eco Week, Earth Hour and World Environment Day. In 2010, our champions in UK Retail Banking and Barclays Corporate raised more than £4,000 for [WWF](#) through fundraising events and activities. Barclays Capital in Hong Kong is participating in the [WWF LOOP](#) (Low-carbon Office Operation Programme) as a way to reduce its emissions.

Working in partnership

Through collaboration with the financial services industry and our customers, we aim to manage the risks of climate change to our operations, our clients and to the communities where we do business.

Our three-year partnership with WWF seeks to tackle threats to biodiversity, natural resources and livelihoods in eastern Africa. The [Protecting Eastern African Resources and Livelihoods](#) (PEARL) project has so far helped to reduce illegal fishing and increase the production of sustainable charcoal in the villages where it is focused.

“

Barclays strong commitment to sustainable development in Africa is reflected in its partnership with WWF in Tanzania, Kenya and Mozambique. 70 million people in this region depend on local resources for their livelihoods and quality of life. This partnership has targeted the root cause of threats to development in this region and launched innovative solutions with local community groups to help them adapt to inevitable climate change impacts. Barclays leadership in this area will improve the quality of life in the region for generations to come

”

Patrick Laine, Director of Corporate Partnerships, WWF-UK

Barclays is supporting [SolarAid](#) in a [four-year partnership](#) aimed at combating poverty and climate change by helping disadvantaged communities in Kenya replace kerosene lighting with clean and affordable solar energy.

2010 citizenship priorities	Status	How we performed
Reduce total CO ₂ emissions by 6 per cent per employee, achieving an average 2 per cent reduction per year.	✗ Incomplete	Emissions per employee decreased by 1.81 per cent.
Reduce energy use in buildings by 6 per cent per employee, achieving an average 2 per cent reduction per year.	✗ Incomplete	Energy use per employee increased by 2.36 per cent for energy, excluding data centres.
Reduce water use by 6 per cent per employee, achieving an average 2 per cent reduction per year.	✗ Incomplete	Water use increased by 1.43 per cent (UK only).
Improve the collection of environmental data across our global operations.	— In progress	Although we have improved data collection in our international operations, including Africa, we still have challenges in getting credible data across a dispersed retail network. We remain committed to further increasing accuracy during 2011.
As part of our commitment to minimise our environmental impact, we will move to an online report.	✓ Complete	We moved to an online Report and produced a Summary document to continue to raise awareness of our Citizenship approach.
Review our strategy for achieving emissions reductions and strengthen the process for monitoring progress.	✓ Complete	Reviewed our 2009–2011 Climate Action Programme and introduced a revised 2011–2015 Programme, outlining a robust governance structure for managing and delivering performance against targets.



Performance
data and
assurance

The way we do business

Contributing to growth

Supporting our communities

Performance data and assurance

Global Reporting Initiative

Barclays has reported against the Global Reporting Initiative (G3) Indicator protocols and its Financial Sector Supplement. We have self-declared our reporting to be Application Level B+.

We have provided references to the Citizenship Report 2010, Citizenship Summary 2010, Annual Report 2010 and website as sources of disclosures for each of the performance indicators. There are certain areas that are not reported because they are not applicable to our businesses, or the data is not collected and available in this format.

Strategy and analysis

Element	Status	Reference
1.1 Statement from the most senior decision maker of the organisation about the relevance of sustainability to the organisation and its strategy	✓ Complete	Citizenship Summary 2010 , page 1
1.2 Description of key impacts, risks and opportunities	✓ Complete	Citizenship Summary 2010

Key
FS = Financial Sector Supplement
NR = Not Reported

Organisational profile

Element	Status	Reference
2.1	✓ Complete	Barclays PLC
2.2	✓ Complete	Who we are and what we do
2.3	✓ Complete	About Barclays
2.4	✓ Complete	Corporate Enquiries
2.5	✓ Complete	About us
2.6	✓ Complete	Corporate Enquiries
2.7	✓ Complete	About us: Citizenship Summary 2010, page 2
2.8	✓ Complete	Annual Report 2010 , pages 2, 33, 40
2.9	✓ Complete	Annual Report 2010 , pages 38, 238
2.10	✓ Complete	Awards and achievements

Key

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Report parameters

Element	Status	Reference
Report Profile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	✓ Complete 01 January 2010 - 31 December 2010
3.2	Date of most recent previous report (if any)	✓ Complete 2009
3.3	Reporting cycle (annual, biennial, etc.)	✓ Complete Annual
3.4	Contact point for questions regarding the report or its contents	✓ Complete Contacts
Report Scope and Boundary		
3.5	Process for defining report content	✓ Complete Materiality
3.6	Boundary of the report	✓ Complete The Report covers all our Business Units (8 fully owned Business Units see page 2 of the Annual Report 2010 , Group Centre and majority owned Absa) in the markets in which we operate (in 55 countries).
3.7	State and specific limitations on the scope or boundary of the report	✓ Complete The Citizenship Summary 2010 is intended to provide highlights of our economic, social and environmental progress in 2010. Additional case studies, information about our Citizenship initiatives and updates on our progress will be available throughout the year is on our website. A full report on our financial performance is covered within the Annual Report 2010 . The Citizenship Report 2010 is integrated with our Annual Report.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations	✓ Complete Annual Report 2010 , pages 160, 194-205: Accounting policies
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilations of the indicators and other information in the report	✓ Complete Annual Report 2010 , pages 194-205: Accounting policies
3.10	Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatement	✓ Complete The data in the Managing our impact on the environment section of the Review has been restated following organisational restructuring. Carbon emissions data has been restated to reflect our improved understanding of our carbon emissions and more detailed assurance.

3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	✓ Complete	Significant changes to the reporting boundaries reflect changes to the organisational structure of Barclays. See Managing our impact on the environment
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GRI Content Index

3.12	Table identifying the location of the Standard Disclosures in the report	✓ Complete	G3 Table
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Assurance

3.13	Policy and current practice with regard to seeking external assurance for the report	✓ Complete	Citizenship Summary 2010 , IFC; Assurance Statement
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Governance, commitments, and engagement

Governance

Element	Status	Reference
4.1 Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	✓ Complete	Citizenship Summary 2010 , page 4
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement)	✓ Complete	The Group Executive Committee is responsible for Barclays Citizenship strategy and supporting Group Chief Executive Bob Diamond in its implementation. The Group Executive Committee and Board review progress against objectives twice a year. See Citizenship Summary 2010 , page 4
4.3 For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	✓ Complete	The Board
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	✓ Complete	Shareholder forums: The way we do business
4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	✓ Complete	Annual Report 2010 , page 166; Remuneration Report ; Citizenship Summary 2010 , page 7
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	✓ Complete	Annual Report 2010 , page 149; Corporate governance report
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	✓ Complete	Citizenship Summary 2010 , page 4; Corporate governance report
4.8 Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation. Explain the degree to which these: are applied across the organisation in different regions and departments/units; and relate to internationally agreed standards	✓ Complete	Policy positions: Citizenship Summary 2010 , page 3
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	✓ Complete	Citizenship Summary 2010 , page 4; How we report

4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	✓ Complete	Assurance Statement
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Commitments to external initiatives

Element	Status	Reference
4.11	✓ Complete	Risk management
4.12	✓ Complete	How we report; Our partners and memberships
4.13	✓ Complete	Stakeholder engagement; Our partners and memberships
4.14	✓ Complete	Stakeholder engagement
4.15	✓ Complete	Stakeholder engagement
4.16	✓ Complete	Stakeholder engagement
4.17	✓ Complete	Stakeholder engagement; Materiality

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Management approach and performance indicators

Economic Performance

Element	Status	Reference
Disclosure on Management Approach	✓ Complete	Citizenship Summary 2010 , pages 4; 12-13
Economic performance		
EC1	✓ Complete	Annual Report 2010 , pages 32, 40, 166, 145; Investing in our communities
EC2	✓ Complete	Managing our impact on the environment; Environmental and social risk management in lending
EC3	✓ Complete	Annual Report 2010 , pages 36, 37, 228-233
EC4	NR	
Market Presence		
EC5	NR	
EC6	— Partial	Citizenship Summary 2010 , page 8
EC7	NR	
Indirect economic impacts		
EC8	✓ Complete	Citizenship Summary 2010 , page 12
EC9	✓ Complete	Citizenship Summary 2010 , page 8-13; Increasing access to financial services

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Environmental

Element	Status	Reference
Disclosure on Management Approach	✓ Complete	Managing our impact on the environment; Environmental and social risk management in lending: Helping our clients invest in growth tomorrow
Materials		
EN1	Materials used by weight or volume	NR
EN2	Percentage of materials used that are recycled input materials	NR
Energy		
EN3	Direct energy consumption by primary energy source	✓ Complete
EN4	Indirect energy consumption by primary source	✓ Complete
EN5	Energy saved due to conservation and efficiency improvements	✓ Complete
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	— Partial
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	✓ Complete
Water		
EN8	Total water withdrawal by source	NR
EN9	Water sources significantly affected by withdrawal of water	NR
EN10	Percentage and total volume of water recycled and reused	NR
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NR
EN12	Descriptions of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	NR
EN13	Habitats protected or restored	NR

EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	NR	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	NR	
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	✓ Complete	Managing our impact on the environment: Citizenship data pack
EN17	Other relevant indirect greenhouse gas emissions by weight	NR	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	✓ Complete	Managing our impact on the environment
EN19	Emissions of ozone-depleting substances by weight	NR	
EN20	NOx, SOx and other significant air emissions by type and weight	NR	
EN21	Total water discharge by quality and destination	NR	
EN22	Total weight of waste by type and disposal method	NR	
EN23	Total number and volume of significant spills	NR	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally	NR	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	NR	
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	✓ Complete	Managing our impact on the environment
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	NR	

Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	NR	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	✓ Complete	Managing our impact on the environment
Overall			
EN30	EN30 Total environmental protection expenditures and investments by type	NR	

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Labour practices

Element	Status	Reference
Disclosure on Management Approach	The most senior position with operational responsibility	✓ Complete Annual Report 2010
Employment		
LA1	Total workforce by employment type, employment contract and region	✓ Complete Annual Report 2010 , pages 26, 36
LA2	Total number and rate of employee turnover by age group, gender and region	— Partial Annual Report 2010 , pages 26
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	— Partial Annual Report 2010 , pages 202
LA15	Return to work and retention rates after parental leave, by gender	NR
Labour/management relations		
LA4	The most senior position with operational responsibility	✓ Complete Citizenship Summary 2010, Promoting health, safety and welfare in the workplace
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	— Partial Citizenship Summary 2010, Promoting health, safety and welfare in the workplace

Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	— Partial	Citizenship Summary 2010, Promoting health, safety and welfare in the workplace
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	— Partial	Citizenship Summary 2010, Promoting health, safety and welfare in the workplace
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	NR	
LA9	Health and safety topics covered in formal agreements with trade unions	NR	
Training and education			
LA10	Average hours of training per year per employee by employee category	NR	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	NR	
LA12	Percentage of employees receiving regular performance and career development reviews	✓ Complete	All employees participate in performance development reviews
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	— Partial	Annual Report 2010 , pages 26
Equal remuneration for women and men			
LA14	Ratio of basic salary of men to women by employee category	NR	

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Human Rights

Element		Status	Reference
Disclosure on Management Approach	Disclosure on management approach	✓ Complete	Citizenship Summary 2010 , page 8; Respecting human rights
Investment and procurement activities			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	NR	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	✓ Complete	Managing our supply chain
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	NR	
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken	NR	
Freedom of Association and Collective Bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	HR	
Child labour			
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	NR	
Forced and compulsory labour			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measurements to contribute to the elimination of forced or compulsory labour	— Partial	2009 Responsible Banking Review, pages 22-23
Security practices			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	NR	

Indigenous practices			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	NR	

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Society

Element	Status	Reference
Local Community		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	✓ Complete Supporting our communities
SO9	Operations with significant potential or actual negative impacts on local communities	NR
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	NR
Corruption		
SO2	Percentage and total number of business units analyzed for risks related to corruption	✓ Complete Compliance and robust corporate governance
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	— Partial Compliance and robust corporate governance; Human Rights
SO4	Actions taken in response to incidents of corruption	✓ Complete Compliance and robust corporate governance
Public policy		
SO5	Public policy positions and participation in public policy development and lobbying	✓ Complete Human Rights: Our policies
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	✓ Complete Annual Report 2010 , page 149
Anti-competitive behaviour		
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	NR

Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	NR	

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Product Responsibility

Element	Status	Reference
Customer health and safety		
PR1	Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	— Partial Environmental and social risk management in lending: Managing our supply chain
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycle, by types of outcome	NR
Products and service labelling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	NR
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	NR
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	✓ Complete Improving the customer experience
Marketing Communications		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	— Partial Environmental and social risk management in lending: Compliance and robust corporate governance
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	NR

Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	NR	
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	NR	

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Financial services sector

Element	Status	Reference
Financial services sector		
FS1	Policies with specific environmental and social components applied to the business lines	✓ Complete Environmental and social risk management in lending; Supporting our communities
FS2	Procedures for assessing and securing of environmental and social risks in business lines	✓ Complete Environmental and social risk management in lending
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included agreements or transactions	✓ Complete Environmental and social risk management in lending
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	✓ Complete Environmental and social risk management in lending
FS5	Interactions with clients/investees/business partners regarding environmental and social policies and procedures as applied by business lines	✓ Complete Environmental and social risk management in lending; Managing our impact on the environment; Stakeholder engagement
Product portfolio		
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	✓ Complete Annual Report 2010 , page 2
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	NR

FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	NR	
Audit			
FS9	Coverage and frequency of audits to assess implantation of environmental benefit for each business line broken down by purpose	✓ Complete	
Active ownership			
FS10	Percentage and number of companies held in the institution's portfolio with the reporting organisation has interacted on environmental or social issues	NR	
FS11	Percentage of assets subject to positive and negative environmental or social screening	NR	
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the rights to vote shares or advises on voting	NR	
Community			
FS13	Access points in low-populated or economically disadvantaged areas by type	— Partial	Increasing access to financial services
FS14	Initiatives to improve access to financial services for disadvantaged people	✓ Complete	Increasing access to financial services
Product and service labelling			
FS15	Policies for the fair design and sale of financial products and services	✓ Complete	The way we do business
FS16	Initiatives to enhance financial literacy by type of beneficiary	✓ Complete	Improving the customer experience, Investing in our communities

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Citizenship data

Contributing to growth

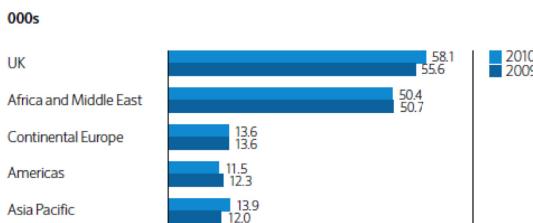
Direct economic contribution

Net hiring

2,000

Created 2,000 new jobs, 80% of which were in the UK

Headcount by world region – full time equivalent

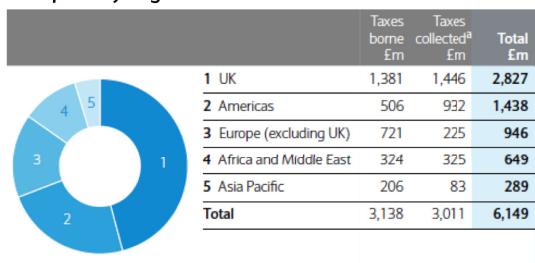


Global tax paid

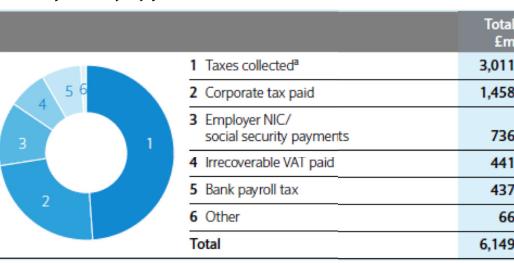
£6.1bn

UK tax paid of £2.8bn, including £1.3bn on behalf of employees

Tax paid by region 2010



Tax paid by type 2010



Note
a Taxes collected on behalf of governments, including income tax and social security payments for employees (of which £1,347m relates to UK employees).

Contributing to growth

Lending to customers and clients

Gross new lending to UK

£43bn

Gross new lending to UK households and businesses increased to £36bn, plus £7.5bn from the acquisition of Standard Life Bank

Small business support	2010	2009	% change
Number of business start-ups supported (UK)	106,000	95,000	12
Number of business accounts - Current and deposit (UK)	1,094,597	1,081,087	1
Number of new small business loans (UK)	22,569	24,009	-6
Number of small business loans approved (Absa - South Africa)	11,625	N/A	
Number of microenterprise loans approved (Absa - South Africa)	4,574	2,984	53

Global Loans and advances

Lending activity 2010 - lending to customers by geographical area and industry sector

Loans and Advances at Amortised Cost Net of Impairment Allowances, by Industry Sector and Geography

As at 31.12.10	United Kingdom £m	Other European Union £m	United States £m	Africa £m	Rest of World £m	Total £m
Financial institutions	23,184	25,173	53,191	3,786	18,677	124,011
Manufacturing	6,591	4,160	704	1,193	2,118	14,766
Construction	3,607	1,258	5	739	254	5,863
Property	13,356	2,895	493	4,706	1,357	22,807
Government	533	1,159	324	2,217	2,068	6,301
Energy and water	2,181	3,090	2,092	136	1,732	9,231
Wholesale and retail distribution and leisure	11,441	2,444	509	1,646	1,317	17,357
Business and other services	15,185	4,358	979	2,841	2,865	26,228
Home loans	104,872	36,979	28	24,911	1,265	168,055
Cards, unsecured loans and other personal lending	26,255	7,499	6,765	3,755	2,394	46,668
Other	8,023	4,629	766	8,483	2,553	24,454
Net loans and advances to customers and banks	215,228	93,644	65,856	54,413	36,600	465,741

Contributing to growth

Environmental business lines	2010	2009												
Total value of transactions in the global clean energy and cleantech sector	£7bn*	N/A												
Tonnes of carbon traded to date	5.4bn	3.5bn												
Notional value of carbon traded to date	£68.5bn**	£45bn												
Select Clean Energy and Cleantech transactions 2010														
<table border="1"> <thead> <tr> <th>Equity</th> <th>Debt</th> <th>M&A</th> </tr> </thead> <tbody> <tr> <td> Solar  \$184 million Follow-On Offering Joint Bookrunner March 2010 </td> <td> Sensors  \$654 million Initial Public Offering Joint Quarterback and Joint Bookrunner March 2010 </td> <td> Energy-from-waste  \$374 million Cash Tender Offer \$400 million Unsecured Notes Joint Bookrunner and Lead Manager November 2010 </td> </tr> <tr> <td> Wind  € 2.3 billion Initial Public Offering October 2010 </td> <td> LED chips  \$103 million Initial Public Offering Joint Bookrunner December 2010 </td> <td> Wind  \$580 million Pass-Through Certificates \$498 million Construction Cash Grant Bridge Loan Joint Bookrunner and Lead-Arranger July 2010 </td> </tr> <tr> <td> Wind  has agreed to acquire  Renewables \$900 million Exclusive Financial Advisor to Exelon December 2010 </td> <td> Solar  Purchased 55% of 51 MW solar project in Italy from  Exclusive Financial and Risk Management Advisor to MetLife December 2010 </td> <td></td> </tr> </tbody> </table>			Equity	Debt	M&A	Solar  \$184 million Follow-On Offering Joint Bookrunner March 2010	Sensors  \$654 million Initial Public Offering Joint Quarterback and Joint Bookrunner March 2010	Energy-from-waste  \$374 million Cash Tender Offer \$400 million Unsecured Notes Joint Bookrunner and Lead Manager November 2010	Wind  € 2.3 billion Initial Public Offering October 2010	LED chips  \$103 million Initial Public Offering Joint Bookrunner December 2010	Wind  \$580 million Pass-Through Certificates \$498 million Construction Cash Grant Bridge Loan Joint Bookrunner and Lead-Arranger July 2010	Wind  has agreed to acquire  Renewables \$900 million Exclusive Financial Advisor to Exelon December 2010	Solar  Purchased 55% of 51 MW solar project in Italy from  Exclusive Financial and Risk Management Advisor to MetLife December 2010	
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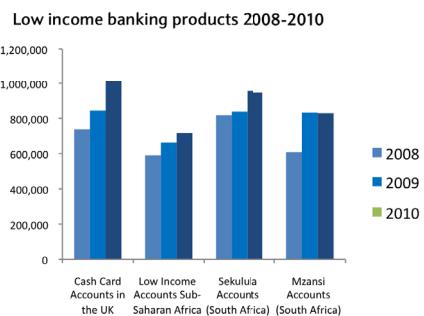
* Based on gross transaction value not pro-rata share ** Based on Dec 2010 EUA price

Supporting our communities

Investing in our communities	2010	2009	2008
Value of global community investment	£55.3m	£54.9m	£52.2m
Employees receiving support for fundraising, volunteering or giving	62,118	58,415	57,361
Number of charities/organisations supported by Barclays	8,214	6,933	6,918
Number of countries supported through community investment programmes	37	31	31
Total amount raised by employees through fundraising and giving	£12.4m	£11.7m	£11.9m
Barclays matching of employee fundraising and giving	£9.0m	£7.9m	£7.0m
Total number of fundraising events receiving matched fundraising	12,805	11,844	10,694
Bank hours to support employee volunteering activities	208,336	157,780	154,813

Increasing access to financial services

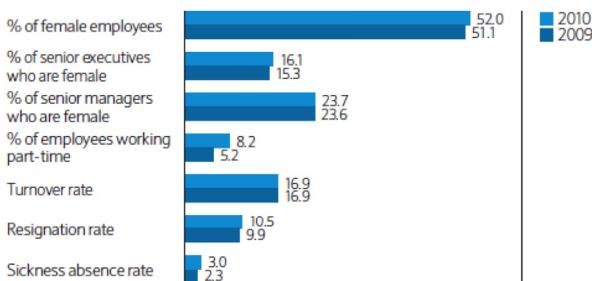
Low income banking products	2010	2009	2008
Cash Card Accounts in the UK	1,017,520	843,772	738,422
Low Income Accounts Sub-Saharan Africa	717,044	662,883	590,193
Sekulula Accounts (Absa - South Africa)	955,460	837,835	818,099
Mzansi Accounts (Absa - South Africa)	837,124	839,706	615,688
Total Number of entry level bank customers (Absa - South Africa)	7,200,000	6,900,000	N/A



Our people

Global employment statistics

%



Employees covered by collective bargaining agreements

2010 2009

Employees covered by collective bargaining agreements in the UK (per cent)	78	N/a
Employees covered by collective bargaining agreements globally (per cent)	57	N/a
Employee trade union members global (per cent)	35	N/a
Employee trade union members in the UK (per cent)	35	N/a

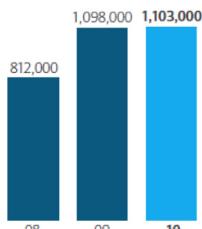
Includes trade unions, only covers permanent employees/full-time employees (does not cover agency staff)

Health & Safety (UK only)	2010	2009	2008
Reportable injuries to staff	124	130	147
Accident rate/100,000 staff	181	215	232

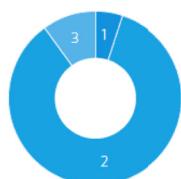
Environmental footprint

Energy and Carbon Use	2010	2009	2008	% Change 2009-10
Total emissions (CO ₂ tonnes)	1,103,000	1,098,000	812,000	0.44%
Total Energy Use in Buildings (gWh)	1222	1168	1082	4.62%
Total Energy Use in Data Centres (gWh)	322	330	128	-2.42%
Performance against targets				
Carbon: CO ₂ tonnes per FTE (-2%)	7.48	7.62	5.31	-1.81%
Energy: kWh per FTE – excluding data centres (-2%)	8,287	8,097	7,081	2.36%
Water: M ³ per FTE- UK only (-2%)	14.07	13.87	N/A	1.43%
Full Time Employees	147,500	144,200	152,800	2.29%

Total emissions tonnes CO₂



Total emissions by scope tonnes CO₂



1 Scope 1: direct combustion of fuels and company-owned vehicles	57,000
2 Scope 2: purchased electricity	936,000
3 Scope 3: indirect emissions from business travel	110,000

We use estimates where data is not available due to a lack of meters, shared sites or other reasons. Approximately 35% of our global emissions data (primarily the retail network in emerging markets) is currently based on estimates and we aim to reduce this over time. We will also enhance our current estimation methodologies in the light of emerging best practice.

Figures opposite are rounded.

Managing environmental and social risk

Transactions screened by Industry Sector		2010		2009	
Sector		Project transactions	Finance transactions	Project transactions	Finance transactions
Agriculture, fisheries, forestry and logging		0	8	0	12
Manufacturing		0	10	1	29
Chemicals and pharmaceuticals		1	10	0	12
Mining and metals		15	55	8	61
Power, excluding nuclear		7	54	1	28
Renewable power		7	8	6	39
Oil and gas		4	48	4	38
Utilities and waste management		2	5	1	4
Infrastructure		7	39	8	11
Service industry, including health care and telecommunications		2	7	5	22
Total		45	244	34	256

Equator Principles		Project finance transactions by risk category		2010	2009
Category A - higher risk		8	4		
Category B - medium risk		21	10		
Category C - lower risk		16	20		
Total		45	34		

Project finance transactions by risk category

Risk Category	2010	2009
Category A - higher risk	8	4
Category B - medium risk	21	10
Category C - lower risk	16	20
Total	45	34

Project finance transactions by geography		2010	2009
European Union		16	14
Africa		16	13
Asia-Pacific		2	3
Americas		9	2
Middle East		1	2
Russia and FSU		1	0
Total		45	34

Project finance transactions by geography

Geography	2010	2009
European Union	16	14
Africa	16	13
Asia-Pacific	2	3
Americas	9	2
Middle East	1	2
Russia and FSU	1	0
Total	45	34

Independent assurance from Ernst & Young
See www.barclays.com/annualreport10

Improving the customer experience

Total complaints received in 2010 compared with 2009

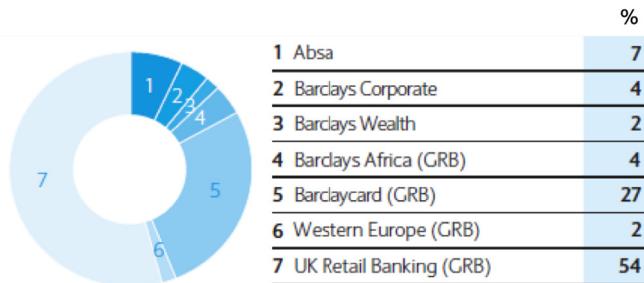
Business Unit	% Change
Global Retail Banking	-1.45%
Barclays Corporate	-4.75%
Barclays Wealth	-23.33%
Absa*	47.11%
Total	-0.01%

* Increased volumes in Absa following enhanced complaint capture processes

£1bn

Committed over the next four years to improving the customer experience

Complaints received 2010

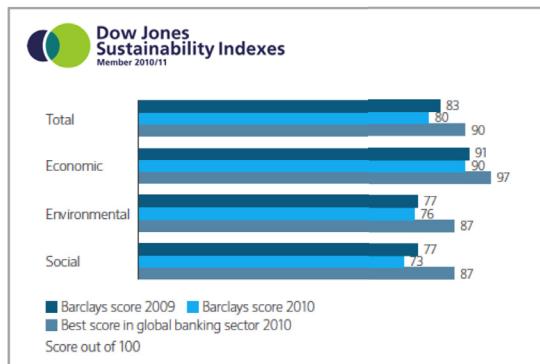


Latest updates on UK complaints data available at www.barclays.com/complaints

Performance in Sustainability Indices and ESG ratings

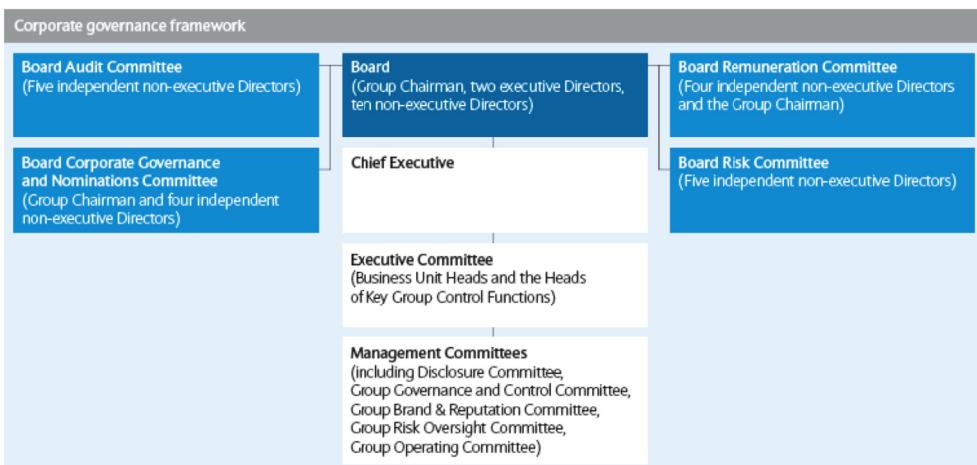
Barclays regularly scores in the top quartile of banking sector ESG rankings

- Included in key SRI investment indices: DJSI World, FTSE4Good
- Covered by all main ESG research firms
- Leading scores in business ESG benchmarks (CDP/ Newsweek)



*Data driven assessment of 100 largest global corporations in partnership with MSCI ESC Research and Trucost

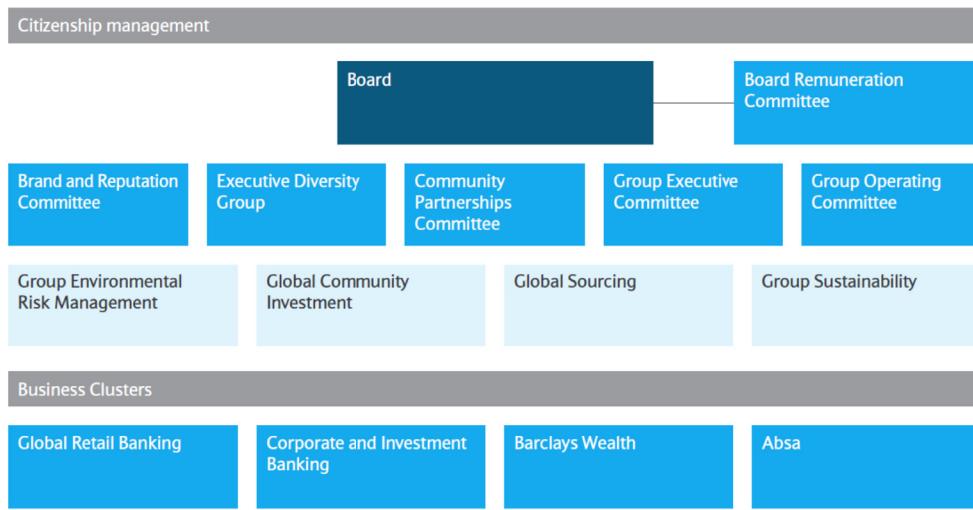
Corporate Governance



Full Corporate Governance Report available at <http://www.barclaysannualreports.com/ar2010/index.asp?pageid=126>

* Individual Directors may fall into more than one category

Citizenship Governance



Ernst & Young Assurance Statement

Independent assurance statement to Barclays management

Barclays has produced an online Citizenship Report 2010 (contained within the Citizenship section of the Barclays online Annual Report 2010) and an Executive Summary Report 2010 (together these constitute "the Report"). The Report has been prepared by the management of Barclays, who are responsible for the collection and presentation of information reported. Our responsibility, in accordance with management's instructions, is to provide a limited assurance engagement on the Report content and on the completeness and accuracy of selected environmental data presented in the Report. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with ISAE3000¹ and to meet the requirements of a Type 2 assurance engagement as defined by AA1000AS (2008)². The AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness have been used as criteria against which to evaluate the Report.

To form our conclusions on the Report we undertook the steps outlined below:

- **Interviewed a selection of executives and senior managers** at Barclays headquarters in London to understand the current status of citizenship activities and progress made during the reporting period.
- **Reviewed selected headquarters documents** relating to social, ethical, environmental and health and safety aspects of Barclays performance, to understand progress made across the organisation and to test the coverage of topics within the Report.
- **Reviewed Barclays approach to stakeholder engagement** through interviews with employees at headquarters level, and reviewed selected associated documentation.
- **Reviewed the processes in place in two businesses (Barclays Capital and Absa)** for stakeholder engagement, environmental data collation and the management of the Equator Principles and environmental and social risk in credit transactions.
- **Reviewed information or explanations about the Report's data, statements and assertions** regarding Barclays citizenship activities.
- **Reviewed the coverage of material issues within the Report** against the key issues raised in the stakeholder dialogues, material issues and areas of performance covered in external media reports and the environmental and social reports of Barclays peers, and the topics discussed by Barclays Brand and Reputation Committee.
- **Reviewed Barclays processes for determining material issues** to be included in the Report.
- **Reviewed data samples and processes relating to energy, CO₂ and water** to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples and conversion factors relating to CO₂ emissions to test whether the data had been reported accurately against the Greenhouse Gas (GHG) Protocol³, covering Scope 1 (direct combustion of fuels and company owned vehicles), Scope 2 (purchased electricity) and Scope 3 (business travel) using the appropriate Department for Environment, Food and Rural Affairs conversion factors⁴.

– **Reviewed Barclays processes of selecting and procuring carbon offset credits** to offset against its reported carbon emissions for 2009.

1. International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000).
2. AA1000AS (2008) A second edition of the AA1000 assurance standard from the Institute of Social and Ethical Accountability.
3. The Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard 2004 (Revised Ed)
4. October 2010 Guidelines to Defra/DECC's Greenhouse Gas Conversion Factors for Company Reporting

Level of assurance

The extent of evidence gathering procedures for a 'limited level' of assurance is less than that of a 'reasonable' assurance engagement (such as a financial audit). A 'limited level' of assurance has been provided over the Report.

Limitations of our review

Our review of environmental data was limited to energy, CO₂ and water (UK only).

Our conclusions

On the basis of our review we provide the following conclusions on the Report in relation to each of the AA1000AS (2008) assurance principles, overall plausibility and the completeness and accuracy of selected environmental data. Our conclusions should be read in conjunction with the above section on 'What we did to form our conclusions'.

Inclusivity

Has Barclays been engaging with stakeholders across the business to develop its approach to citizenship?

- We are not aware of any matters that would lead us to conclude that Barclays has not applied the inclusivity principle in developing its approach to citizenship or that any key stakeholder groups have been excluded from dialogue.

Materiality

Has Barclays provided a balanced representation of material issues concerning its citizenship performance?

- Nothing has come to our attention that causes us to believe that Barclays management has not applied its processes for determining material issues or that any material aspects of its citizenship performance have been excluded from the Report.

Responsiveness

Has Barclays responded to stakeholder concerns?

- We are not aware of any matters that would lead us to conclude that Barclays has not applied the responsiveness principle in its response to material topics of interest to stakeholders or that any issues of stakeholder interest have been excluded from the Report.

Completeness and Accuracy of Performance information

How plausible are the statements and claims within the Report?

- We are not aware of any inconsistencies in the assertions made with regards to performance and achievement.

How complete and accurate is the energy, water and CO₂ data in the Report?

- With the exception of the limitations relating to water data identified in the Report, we are not aware of any material reporting units that have been excluded from Group data.
- With the exception of the limitations identified in the Report relating to estimation of energy data, we are not aware of any additional matters that would materially affect the accuracy of the data.

How accurate are management assertions on carbon offsetting in the Report?

- With the exception of the limitations relating to projects that are still awaiting issuance of credits, we are not aware of any additional matters that would materially impact the accuracy of management assertions on carbon offsetting.

OBSERVATIONS ON PARTICULAR ASPECTS OF OUR ENGAGEMENT

Our observations and areas for improvement will be raised in a report to Barclays management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

- Barclays has a structured approach to identifying and assessing environmental and/or social risk in credit and project transactions, including Equator Principles (EP) categorisation and screening. The identification of transactions requiring environmental and social screening is currently the responsibility of the transaction teams. It is therefore important for the Group Environmental Risk Management (ERM) team to continue to raise awareness with these teams to ensure relevant transactions are appropriately reviewed.
- Barclays has a clearly defined approach to carbon offsetting, supported by appropriate due diligence. This forms an integral part of Barclays Climate Action Programme which includes investment in energy efficiency. The challenge for Barclays is to manage their offset programme in such a way as to take into account year on year improvements in data accuracy.
- There has been progress at Group level in developing an energy efficiency strategy, focused on the most material sites in the business. It is important that Barclays continues to drive accuracy in collation and reporting of environmental data in all of its businesses, in particular developing consistent methods for estimating emissions.
- We have seen a continuing development in how Barclays has responded to stakeholder feedback, evidenced through senior involvement in tackling material issues, such as customer complaints. There is an opportunity going forward to increase further the collaboration between different business units that deal with the same stakeholders to support consistent engagement in responding to stakeholder concerns.

Our independence

We have implemented measures to ensure that we are in compliance with the applicable independence rules as articulated by the IFAC Code of Ethics for Professional Accountants (Section 290: Independence Other Assurance Engagements).

Our assurance team

Our assurance team has been drawn from our global climate change and sustainability services network, which undertakes similar engagements to this with a number of significant UK and international businesses.

Ernst & Young LLP

London
20 April 2011