

A holistic approach to measuring success

Our approach reflects the way in which management monitors the performance of the Group, allows for a holistic assessment and sets out our progress towards the strategic goals of the organisation.

By incorporating a broad range of financial and non-financial measures, our framework is focused on achieving positive and sustainable outcomes for our diverse group of stakeholders, and influences incentive outcomes for Barclays' employees.

 Read more on our remuneration framework in the Remuneration Report pages 93 to 116 of the Barclays PLC Annual Report 2017.

Strategic non-financial performance measures

Non-financial measures are an important element of how we evaluate our progress towards achieving our ambition of delivering a sustainable business for all our stakeholders. We focus on the impact we have on our customers and clients, colleagues, and the benefit we bring to society via our citizenship activity. These measures are underpinned by how we behave towards all our stakeholders, through our conduct and our culture. To assess our performance, progress towards delivering positive outcomes for our stakeholders is informed by a number of sources including internal dashboards, regular management reporting and external measures, to help provide a balanced review of performance.

We have a range of policies and guidance that can support our key outcomes for our customers and clients, colleagues and citizenship activity. Performance against our strategic non-financial performance measures is one indicator of the effectiveness and outcome of aspects of certain policies and guidance. Our policies and guidance are refreshed regularly. For further details, please see our Customer and Client, Colleague and Citizenship sections.

Approach and governance: Performance Measurement

In the 2016 Barclays Annual Report, we introduced our revised performance measurement framework to assess progress against our strategy, across our diverse stakeholder groups. The framework reflects a balance of key financial performance metrics and broader strategic non-financial measures.

Financial performance metrics

The financial metrics are aligned to Barclays PLC Group financial targets, updated in Q317, and are reported quarterly as part of our financial results. Achieving our targets is consistent with our aim of generating long-term sustainable returns for the shareholders of Barclays PLC Group.

Barclays PLC Group Performance Measurement Framework

Financial performance metrics

Group RoTE*	>9% in 2019	>10% in 2020
CET1 ratio	150-200 bps above the end point regulatory minimum level	
Group costs	£13.6 – £13.9bn in 2019**	Targeting cost: income ratio below 60%

* excluding litigation and conduct, and based on a CET1 ratio of c.13%
 **excluding litigation and conduct

Strategic non-financial performance measures

Delivering positive outcomes for our stakeholders

Customer and Client

- Building trust with our customers and clients, such that they are happy to recommend us to others
- Successfully innovating and developing products and services that meet their needs
- Offering suitable products and services in an accessible way, ensuring excellent customer and client experience

Colleague

- Promoting and maintaining:
- A diverse and inclusive workforce in which colleagues of all backgrounds are treated equally and have the opportunity to be successful and achieve their potential
 - Engaged and enabled colleagues
 - A positive conduct and values-based environment

Citizenship

- Making decisions and doing business that provides our clients, customers, shareholders, colleagues and the communities which we serve with access to a prosperous future, through our Shared Growth Ambition
- Proactively managing the environmental and societal impacts of our business

Underpinned by how we behave towards all our stakeholders through our conduct and culture

Key performance indicators

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Approach and governance: Remuneration

Performance against our financial metrics and strategic non-financial performance measures is directly linked to executive remuneration, and also influences incentive outcomes for Barclays' employees more broadly. This approach supports us in our work to deliver positive outcomes for all our stakeholders. Please refer to the Remuneration Report on pages 93 to 116 of the Barclays PLC Annual Report 2017 for further information.

How we are doing

Group Return on Tangible Equity

(3.6)% 2016 3.6%

Common Equity Tier 1 (CET1) ratio

13.3% 2016 12.4%

Cost: Income ratio

73% 2016 76%

Operating Expenses*

£14.2bn 2016 £15.0bn

* excluding litigation and conduct

2017

Financial performance metrics

Key outcomes we will look to achieve include:

Achieving our financial targets, consistent with our aim of generating long-term sustainable returns for the shareholders of Barclays PLC Group.

How we measure success:

The financial performance metrics are aligned to Barclays PLC Group financial targets, updated in Q317:

- Group Return on Tangible Equity (RoTE) of greater than 9% in 2019 and greater than 10% in 2020, excluding litigation and conduct, and based on a CET1 ratio of c.13%
- CET1 ratio of 150–200 bps above the end point regulatory minimum level
- Group costs, excluding litigation and conduct, of £13.6–13.9bn in 2019, and to have a target cost: income ratio below 60%

RoTE measures our ability to generate acceptable returns for shareholders. It is calculated as profit after tax attributable to ordinary shareholders, including an adjustment for the tax credit recorded in reserves in respect of other equity instruments, as a proportion of average shareholders' equity excluding non-controlling interests and other equity instruments adjusted for the deduction of intangible assets and goodwill.

This measure indicates the return generated by the management of the business based on shareholders' tangible equity. Achieving a target RoTE demonstrates the organisation's ability to execute its strategy and align management's interests with the shareholders'. RoTE lies at the heart of the Group's capital allocation and performance management process.

The CET1 ratio is a measure of the capital strength and resilience of Barclays. The Group's capital management objective is to maximise shareholder value by prudently managing the level and mix of its capital. This is to ensure the Group and all of its subsidiaries are appropriately capitalised relative to their minimum regulatory and stressed capital requirements, and to support the Group's risk appetite, growth, and strategic options while seeking to maintain a robust credit proposition for the Group and its subsidiaries.

The ratio expresses Barclays' capital as a percentage of risk weighted assets (RWAs), as defined by the PRA, in the context of Capital Requirements Directive IV (CRD IV – an EU directive prescribing capital adequacy and liquidity requirements), and is part of the regulatory framework governing how banks and depository institutions are supervised.

Barclays views operating expenses as a key strategic area for banks; those which actively manage costs and control them effectively will gain a strong competitive advantage. Restructuring the cost base is a key execution priority for management and includes a review of all categories of discretionary spending and an analysis of how we can run the business to ensure that costs increase at a slower rate than income.

The cost: income ratio measures operating expenses as a percentage of total income and is used to assess the productivity of the business operations.

Updating the Return on Tangible Equity metric

Significant strategic progress was made in 2017 with the closure of Non-Core and sell down of our stake in Barclays Africa, marking the completion of our restructuring.

With the closure of Non-Core, we no longer have a Core and Non-Core distinction within the Group, and hence our prior target of Group RoTE to converge with Core RoTE no longer exists. The RoTE target has been updated to reflect our commitment to continuing to execute at pace against our plan and we are confident in asserting when Barclays will start to deliver the economic performance that the Group is capable of.

How we are doing

Group Return on Tangible Equity

2017 reflected a number of one-off items including losses related to the sell down of BAGL of £2.5bn and a net charge of £0.9bn due to the re-measurement of US DTAs in Q417, as well as litigation and conduct of £1.2bn. These items drove a Group RoTE of negative 3.6% (2016: positive 3.6%). Excluding these material items, Group RoTE was 5.6%.



CRD IV fully loaded CET1 ratio

The Group's CRD IV fully loaded CET1 ratio increased to 13.3% (2016: 12.4%) driven by a decrease in RWAs of £53bn to £313bn, which was partially offset by a reduction in CET1 capital to £41.6bn (2016: £45.2bn). The 90bps improvement was driven by organic capital generation from continuing operations, the benefit of the proportional consolidation of BAGL and the rundown of Non-Core, partially offset by an adverse movement in reserves and the net impact of the re-measurement of US DTAs.

Operating expenses and Cost: income ratio

Group operating expenses were £15.5bn (2016: £16.3bn). Excluding litigation and conduct charges, Group operating expenses were £14.2bn (2016: £15.0bn), in line with 2017 guidance. The reduction in operating expenses was primarily driven by lower Non-Core related operating expenses.

The Group cost: income ratio was 73% (2016: 76%).



For further information on the financial performance of the Group, please see p47.

Strategic non-financial performance measures

How we are doing: summary

We assess progress towards the delivery of positive outcomes our customers and clients (page 18), colleagues (page 19), and citizenship activity (page 21), all underpinned by conduct and culture.

Areas of encouragement:

Customer and Client: In 2017, we continued to focus on delivering excellent customer and client experience, by offering products and services to meet their needs in an appropriate and accessible way. We are encouraged by the performance of our Relationship Net Promoter Scores (NPS®), while our client ranking and market share indicators remained broadly stable across many of our international business areas, which we believe reflect the relevance of our customer and client proposition. Digital solutions can enable a convenient and secure everyday banking experience for customers and clients, and we believe this is reflected in a 7% year on year increase in the number of Barclays UK customers using our digital services.

Colleague: We remain focused on increasing the diversity of our workforce and continuing to build an inclusive culture. We are proud of the progress we have made on the multicultural, multigenerational, LGBT and Disability pillars, and we continue to receive external recognition for our diversity and inclusion work. We also continue to focus on the positive engagement of our workforce, and are encouraged to see a 3% point improvement in our annual employee engagement survey score.

Citizenship: We are conscious of our wider stakeholders and the communities in which we operate and have performed well against our citizenship agenda, meeting our internal objectives on all six of our Shared Growth Ambition metrics.

Areas of continued focus:

Customer and Client: Further transformation of our customer and client experience remains a key priority for Barclays, particularly as customer and client expectations continue to evolve rapidly. Although we are encouraged by the reductions in the number of complaints we received in 2017, this remains an ongoing area of focus for management and the Board.

Colleague: Our commitment to increasing female representation at all levels of Barclays remains firm. Although we have achieved an increase in the percentage of women at our Managing Director and Director levels^a, we recognise that there is still progress to be made regarding senior female representation. In addition, although we have made progress, we recognise there is still more to do to further reduce obstacles to efficiency and enable our colleagues to achieve excellent performance. We remain committed to driving the right culture throughout all levels of the organisation and continuing to enhance the effective management of Conduct Risk.

Citizenship: We have made good progress in delivering access to sustainable finance and developing new green products. We see further opportunity in this space and are working to develop broader sustainability and sensitive sector guidelines. In addition, we continue to focus on enhancing disclosures, particularly on climate change, and improving our Environmental, Social and Governance (ESG) ratings and benchmark scores on an absolute and relative basis.

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Notes

^a 2016 restated on an ex-Africa basis

Key performance indicators

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Customer and Client

Key outcomes we will look to achieve include:

- Building trust with our customers and clients, such that they are happy to recommend us to others
- Successfully innovating and developing products and services that meet their needs
- Offering suitable products and services in an accessible way, ensuring excellent customer and client experience

How we measure success

Measures used in our evaluation include, but are not limited to:

- Net Promoter Scores (NPS)
- Client rankings and market shares
- Lending volumes provided to customers and clients
- Digital engagement
- Complaints performance
- Conduct indicators

How we are doing

Areas of encouragement:

Net Promoter Scores (NPS)^a

Improvements to our customer experience and customer value proposition, as well as our campaign to educate customers about how they can take steps to protect themselves from fraud, have all contributed to customers advocating our brand. Barclays Relationship NPS ended the year with an improved score of +14 (2016: +10), while Barclaycard UK Relationship NPS remained relatively flat year on year with a score of +9 (2016:+7). Our Barclaycard International business also continued to perform well on Relationship NPS, supported by a continued focus on customers and improvements in our products and digital experiences.

Client rankings and market shares

With the repositioning of the Corporate and Investment Bank largely completed in 2017, we believe the business is well-positioned to deliver for our clients in our two home markets. Our Corporate and Investment Bank achieved a 6th place ranking by fee share (2016: 5th) in our UK and US home markets across M&A, equity and debt capital markets, and syndicated loan transactions, and we were highly encouraged by the 1st place ranking in the UK (Dealogic). In 2017 Barclays ranked 4th, based on Global Fixed Income market share (Greenwich Associates), unchanged from 2016. 88% of our largest UK corporate clients considered the service they receive from Barclays to be good, very good or excellent, a 2% point decrease on 2016 (Charterhouse^b). We also processed more than a third of all card payments made in the UK.



Please refer to the Consumer, Cards and Payments section on page 33 for further information on our market presence across our international businesses.

Lending volumes provided to customers and clients

Barclays continues to be an important provider of financial services to UK businesses. We provided around £66bn of lending, down 6% on 2016, as we continued to exert high levels of discipline in capital allocation decisions to strengthen the long-term sustainability of the business for all our stakeholders. We continue to support UK SME^c customers in achieving their ambitions, with new lending of £2.8bn (2016: £2.5bn). We also extended or renewed mortgage facilities worth nearly £20bn (2016: nearly £19bn) to nearly 88,000 UK households. Our Mortgage business continued to focus on enhancing the customer experience, with Barclays winning eight awards in 2017^d.

Digital engagement

Digital solutions can enable a convenient and secure everyday banking experience and over 10 million customers and clients in the UK are using our digital services on a regular basis (2016: nearly 9.5m). Barclays Mobile Banking has now been chosen by 5.5 million customers as a 'bank in their pocket', to access key services whenever and wherever they need them.

We are also mindful that while we have customers who fully embrace digital channels, we serve a wide customer base. We continue to work alongside communities to help our customers feel comfortable in the digital environment and we also launched our Digital Safety campaign which aims to heighten awareness and educate our customers on the risks posed by cyber crime.

In 2017, Barclaycard US customers logged into our website and mobile apps over 230 million times, up 12% on 2016. Of our over 8 million digitally active customers in Barclaycard US, 57% are mobile active and they expect instant, relevant and safe access to their most important banking needs including account management, rewards, and payments. In 2017, we continued to leverage consumer insights and feedback to build innovative experiences for our customers as evidenced by our 3rd place in the JD Power 2017 Mobile Banking Credit Card evaluation and the launch of our mobile-first Uber co-branded credit card. See our case study on Uber on page 34.

Areas of continued focus:

Complaints performance

In Barclays UK, we continue to focus on customer journeys and our underlying complaint volumes (Barclays UK, excluding PPI) reduced 13% year on year, however we have seen a small increase in PPI complaints (up 2% year on year) driven largely, we believe, by the FCA deadline announcement. Barclays UK complaint volumes, including PPI, were down 7% year on year^e. Barclays International complaints reduced by 19% year on year, largely driven by a strong performance in the Barclaycard US business, as we continued our focus on improving customer experience. Complaints reduction remains a priority across the Group and, despite improvement in 2017, we have more work to do, as can be seen from our position in the H1 2017 FCA complaints tables in the UK^f.

Notes

- a NPS measures customer experience and facilitates benchmarking. It is widely used in banking and other industries. In this reporting year, the basis of Barclays Relationship NPS has been revised from a 3 month rolling average to a 12 month rolling average, to reduce fluctuations in the data. On a 3 month rolling average basis we reported Barclays Relationship NPS of +13 in 2016, which remained unchanged at +13 in 2017.
Source: GfK FRS, 12 months ending December 2017. Adults interviewed: 8,568 Barclays main Current Account holders (Barclays Relationship NPS), and 4,754 Barclays main Credit Card holders (Barclaycard UK Relationship NPS).
- b Charterhouse Research Business Banking survey: 820 interviews with businesses in the UK, turning over £25m-£1bn year end 2017. Data is weighted by region and turnover to be representative of the UK business market. Share-based on bank named as main bank.
- c SME Customers reflects our Business Banking customers. In 2016, we reported on UK SME lending across Barclays according to the UK Finance definition of SME (2016: just over £3.6bn. 2017: Not available). Business Banking has now been established as part of Barclays UK and we believe that moving to report on this basis ensures we provide strategic clarity, while continuing to cover the majority of customers who would be classified as 'SMEs'.
- d Best Lender for first-time buyers with family support(Moneywise); Best Lender for Large loans (Moneywise); Best Online Lender (What Mortgage); Best Help to Buy Mortgage Lender- Equity Loan (What Mortgage); Best Intermediary Lender (Mortgage Finance Gazette); Best Overall Lender (Mortgage Finance Gazette); Best National Bank (Mortgage Finance Gazette); Best Large Loans Mortgage Lender (Your Mortgage)
- e In 2016 we reported complaint volumes for 'Barclays UK' which reflected total UK FCA reportable complaints (including complaints which now sit within Barclays International). Following preparation for the formal separation of the Barclays UK division into a new legal entity we are now able to accurately split UK FCA Complaints between our Barclays UK and Barclays International divisions.
- f For further information on Barclays' complaint volumes, the FCA publishes firm-level complaints data on their website

We therefore remain focused on areas requiring our attention including, for example, the recent issues we have experienced with our Smart Investor proposition, and we are working to improve our service as a result of customer feedback.

In 2017, Barclaycard US customers logged into our website and mobile apps over 230 million times.

Conduct indicators

Barclays has operated at the overall set tolerance for Conduct Risk throughout 2017. The tolerance is assessed by the business through Key Indicators which are aggregated and provide an overall rating which is reported to the Board Reputation Committee as part of the Conduct Dashboard.

We remain focused on the continuous improvement being made to manage Conduct Risk effectively, with an emphasis on enhancing governance and management information to facilitate the identification of risks at earlier stages. For further information on the management and performance of Conduct Risk, please refer to the Risk Review section of the Barclays Annual Report on page 117.

Policies and guidance can support delivery towards the key outcomes for our customer and clients. The Barclays Way contains statements on how we strive to deliver excellent customer service, and respect and protect the personal information we hold. It defines Conduct Risk outcomes as guiding principles and contains statements on privacy and data protection that colleagues must adhere to. The Barclays Way is available to view at: home.barclays/citizenship/our-approach.html. Performance against our strategic non-financial performance measures for our customers and clients is one indicator of the effectiveness and outcome of certain policies and guidance. Policies which support our customer and client strategic non-financial measures include aspects of our Customer Complaints Global Policy.

Our customers and clients are at the heart of our purpose and strategy. For further information on our two divisions, Barclays UK and Barclays International, please refer to pages 23 to 34

Colleague

Key outcomes we will look to achieve include:

Promoting and maintaining:

- A diverse and inclusive workforce in which employees of all backgrounds are treated equally and have the opportunity to be successful and achieve their potential
- Engaged and enabled colleagues
- A positive conduct and values-based culture

How we measure success

Measures used in our evaluation include, but are not limited to:

- Diversity and Inclusion statistics
- Employee sustainable engagement survey scores
- Conduct and culture measures

How we are doing

Areas of encouragement:

A diverse and inclusive workforce

We remain focused on increasing the diversity of our workforce and continuing to build an inclusive culture. In 2017, we have placed additional focus on upskilling our leadership through a range of initiatives including our Unconscious Bias Training, which has been delivered to over 10,000 leaders to date.

We are proud of our achievements in 2017, across the following pillars of our global Diversity and Inclusion strategy:

LGBT: Our Spectrum Allies programme is growing, with an estimated over 8,000 colleagues (2016: over 7,000), who have pledged to challenge homophobia, biphobia and transphobia and provide support to LGBT colleagues.

Disability: This year, alongside PwC, we have further scaled the 'This is Me in the City' initiative along with the Lord Mayor of the City of London.

Multicultural: The number of apprentices who identify as Black, Asian and Minority Ethnic was 19% in 2017 (2016: 30%), 8% points above the national apprenticeship average.

Multigenerational: Since the Barclays Armed Forces Transition, Employment and Resettlement (AFTER) programme began in 2010, the programme has assisted over 5,500 veterans in employment transition and since 2013 we have hired over 500 ex-military personnel (2016: nearly 400).

Our Dynamic Working campaign is relevant to colleagues at every life stage and encourages the integration of personal and professional responsibilities through smarter work patterns. The campaign is having a positive effect on colleague engagement, with 59% of colleagues actively working dynamically in 2017 with an average overall sustainable engagement score of 83% among this group.

Gender: Our commitment to increasing female representation at all levels remains firm. Please see 'Areas of continued focus' below for details on our progress.

Throughout 2017, our work was recognised externally, including: Stonewall recognising Barclays as one of only 12 Top Global Employers; the Human Rights Campaign awarding Barclays 100% on their corporate equality index; Working Families UK recognising Barclays as one of the top ten Employers for Working Families in 2017; and the City of London and the Social Mobility Commission acknowledging Barclays as a Top 50 Employer through the Social Mobility Employer Index.



Key performance indicators

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Engaged and enabled colleagues

An engaged workforce is critical to the success and delivery of our strategy. Our principle measurement of employee engagement is through our employee opinion survey 'Your View'. This year, sustainable engagement of our employees improved by 3% points to 78%, with the majority of key survey question results recording improvements compared to 2016, and the rest remaining stable.

Areas of particular strength from the annualised 'Your View' results include 'I would recommend Barclays as a good place to work' (82% favourable, up 6% points on 2016), 'Barclays is truly focused on achieving good customer and client outcomes (88% favourable, up 5% points on 2016) and colleagues 'believe strongly in the goals and objectives of Barclays' (90% favourable, up 3% points on 2016).

In addition, by supporting internal mobility across Barclays, we hope to successfully attract, retain and develop internal talent. In 2017, our rate of internal hiring was 40% (2016: 48%).

A positive conduct and values-based culture

In 2017, we focused on embedding the culture measurement framework we developed in 2016, and using the insights to stimulate senior management discussion.

We have made good progress in continuing to embed the value of 'Integrity', highlighted by results to the questions 'it is safe to speak up' (83% favourable, up 2% points on 2016) and 'I can report instances of dishonest or unethical practices to the appropriate level of authority without fear' (86% favourable, flat on 2016). 'Stewardship' also remains a strongly embedded value with 89% of colleagues stating that they are proud of the contribution Barclays makes to the community and society (up 1% point on 2016). 'Service' and 'Respect' remain strong with 90% of colleagues believing strongly in the goals and objectives of Barclays (up 3% points on 2016) and 91% of colleagues agreeing that 'leaders at Barclays support diversity in the workplace' (up 2% points on 2016).

Areas of continued focus:

A diverse and inclusive workforce^a

Our commitment to increasing female representation at all levels remains firm and we are mindful of the need to remain focused on improving our gender diversity with goals to improve the percentage of female Managing Directors and Directors^b to 26% by 2018 (2017: 23%, a 1% point improvement year on year^c); 33% female representation on our Board by 2020 (2017: 21%, 2016: 31%); and 33% female representation among the Group Executive Committee and their direct reports (2017: 25%, flat year on year). Recognising the importance of strengthening our talent pipeline, we also have an ambition for 50% female graduate hires (2017: 40%, 2016: 39%).

Engaged and enabled colleagues

Although it is pleasing to note that we have made progress across areas identified for opportunity, including 'eliminating obstacles to efficiency' and 'ensuring colleagues have the tools and resources to achieve excellent performance', there is always more to do. Enabling our employees to achieve excellence remains a key priority and throughout 2018 new initiatives will be identified that will continue to improve the simplicity and efficiency of our tools, processes and systems.

A positive conduct and values-based culture

Within our culture measurement framework, which is anchored in our values, 'Excellence' remains the biggest opportunity for improvement, as the 'Enable' component within the colleague survey continues to be the lowest scoring measurement of sustainable engagement (64%, up 4% points on 2016). A set of improvement initiatives were identified in 2017 and will continue in 2018 to drive progress in this area.

Barclays has operated at the overall set tolerance for conduct risk throughout 2017. The tolerance is assessed by the business through Key Indicators which are aggregated and provide an overall rating which is reported to the Board Reputation Committee as part of the Conduct Dashboard.

We continue to see improvements in conduct performance and are committed to continuing to drive the right culture throughout all levels of the organisation. Barclays will continue to enhance the effective management of Conduct Risk and appropriately consider the relevant tools, governance and management information in decision making processes.

Policies and guidance can support delivery towards the key outcomes for our colleagues. The Barclays Way contains statements on how we aim to create and promote a culture that is diverse and inclusive and create the positive and respectful environment all employees are entitled to enjoy. It also contains requirements for employees to: inform their line managers of changes in circumstances, including, for example, any conflict of interest or outside business interest; take reasonable care of their own and others' health and safety; and the responsibility to protect Barclays' assets. It also contains statements on: physical security; Group Resilience Policy and Standards; and communication with the media and public speaking appearances. Performance against our strategic non-financial performance measures for our colleagues is one indicator of the effectiveness and outcome of certain policies and guidance. Policies which support our colleague strategic non-financial measures include aspects of our Employee Opinion Survey Policy.



Please refer to the section on Our People and Culture on page 36 and the People section on pages 89 to 92 of the Barclays PLC Annual Report 2017 for further information on our progress.

Notes

a Under the Companies Act 2006, Barclays is required to report on the gender breakdown of our employees and 'senior managers'. Of our global workforce of 79,900 (45,100 male, 34,800 female), 555 were senior managers (401 male, 154 female), which include Officers of the Group, certain direct reports of the Chief Executive, heads of major business units, certain senior Managing Directors, and directors on the boards of undertakings of the Group, but exclude individuals who sit as directors on the Board of the Company. The definition of senior managers within this disclosure has a narrower scope than the Managing Director and Director female representation data provided above.

b Previously called female representation across 'senior leadership'

c Based on 2016 actual (24%) restated on an ex-Africa basis (22%).

Citizenship

Key outcomes we will look to achieve include:

- Making decisions and doing business that provides our clients, customers, shareholders, colleagues and the communities which we serve with access to a prosperous future, through our Shared Growth Ambition
- Proactively managing the environmental and societal impacts of our business

How we measure success

Measures used in our evaluation include, but are not limited to:

- Delivery against our Shared Growth Ambition
- Colleague engagement in citizenship activities
- External benchmarks and surveys

How we are doing

Areas of encouragement:

Delivery against our Shared Growth Ambition

We met our internal objectives on all six of our Shared Growth Ambition metrics.

Performance was on-track against our internal milestones for three initiatives around 'access to financing', 'access to digital and financial empowerment' and 'access to employment'. We also met or exceeded our 2017 annual targets for The Barclays Way training, carbon emissions reduction and payment of suppliers on time.

Access to financing

We continued to deliver financing solutions in areas including renewable energy, water and low carbon technologies; social infrastructure; development institutions; and small business financing. Barclays delivered £31.7bn in financing for specific social and environmental segments across our business lines (2016: £30.5bn^a).

There has been significant momentum across the Barclays franchise in 2017, including the launch of a range of new Green Loans, Asset Finance and Deposit products; the issuance of Barclays inaugural Green Bond (see case study on page 7); an industry-first Multi-Impact Growth Fund for retail investors; a range of innovative transactions such as solar project bonds and green asset backed securities; and continued coverage from our Research teams on ESG and Sustainability themes.



Supporting sustainable ventures

Barclays and the Unreasonable Group hosted the first Unreasonable Impact World Forum in 2017, bringing together 27 innovative companies from Asia, the US and Europe working to solve some of the world's most pressing problems. Held in London, the Forum included elevator pitches from entrepreneurs and panel sessions on themes such as scaling businesses and raising capital through impact investors. Over 400 representatives from a range of stakeholder groups, including investors, clients, NGOs and government agencies attended in person, with the event broadcast live on select social media channels globally.

Unreasonable Impact is an innovative multi-year partnership between Barclays and Unreasonable Group to launch the world's first international network of accelerators focused on scaling-up entrepreneurial solutions that will help employ thousands worldwide while solving some of our most pressing societal challenges.

See <https://unreasonableimpact.com/> for more information.

Access to financial and digital empowerment

Inclusive financial systems are key to achieving economic and societal progress, but there can be several barriers to access. We believe digital offerings can help break down these barriers. We helped empower around 205,000 people in 2017 (2016: 249,000) through initiatives such as Barclaycard Initial for those with a limited credit history; our Digital Eagles network, comprised of specially trained Barclays employees working to provide free technology support to customers and non-customers; and the continued development of learning platforms.

We work closely with partners in the free debt advice sector and collaborate on a number of projects including research and colleague training on financial vulnerability, and how we can best match customers to the advice service that suits them.

Access to employment

Barclays is committed to helping people gain access to skills, and supporting entrepreneurs to drive job creation. We helped upskill over 2.1 million people in 2017 (2016: 1.7 million), driven by a range of regional employability partnerships and our flagship LifeSkills programme in the UK.

.....
Barclays delivered £31.7bn in financing for specific social and environmental segments.

We held Accelerators for the 2nd cohort of the 'Unreasonable Impact' programme in partnership with Unreasonable Group, focused on scaling ventures that solve environmental and societal problems. 57 ventures have participated to date in programmes across the UK, US and Asia.

Note

^a Financing volume based on a use of proceeds framework. 2016 actuals have been restated from £21.1bn due to the inclusion of new qualifying categories such as national development banks. Further detail available in the ESG Report.

Key performance indicators

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Business conduct and environmental impact

The Barclays Way outlines the Purpose and Values which govern our way of working. 99.9% of our colleagues completed annual training on The Barclays Way in 2017 (2016: 99.6%) ahead of our target of above 97%.

We reduced carbon emissions by 26.1% against the 2015 baseline (2016: 14.3%^a), making good progress towards our 30% target by 2018.

We also achieved 89% (2016: 88%) on-time payment by value to our suppliers (Target: 85%) and have published an updated Statement on Modern Slavery which includes additional information on the work we are doing with our clients and customers, as well as our suppliers.

Please see the statement on our website home.barclays/citizenship/our-approach/human-rights.html

Colleague engagement in citizenship activities

Colleague participation is essential to the success of our citizenship strategy. More than 50% of our colleagues participated in volunteering, fundraising or regular giving activity with 43,700 unique participants (2016: almost 44,000)^b. We also have active internal Digital and LifeSkills, Environmental, Social Innovation and Intrapreneur networks.

Areas of continued focus:

Shared Growth Ambition

We will continue to focus on improving integration with our product suite and developing innovative sustainable financing solutions. We intend to focus on enhancing the impact of our employability programmes and providing compelling opportunities for our colleagues to participate in citizenship activities.

In addition, we are developing wider sustainability and sector guidelines for business activity in 2018, and will increase our contribution to policy initiatives and multi-stakeholder partnerships.

Supporting sustainability-focused ventures to scale-up is one way in which Barclays is supporting the Sustainable Development Goals (SDGs), and we will continue to review and improve our core focus on raising access to financing for social and environmental segments, building skills and supporting empowerment.

External benchmarks and surveys

Barclays' strategy and performance on a range of ESG factors is evaluated by external agencies on an annual basis.

In 2017, we broadly maintained our performance scores in key ratings and indices. Although methodologies vary and continue to evolve, we believe there is an opportunity to continue to enhance our performance on an absolute and relative basis.

We maintained membership of both the Dow Jones Sustainability Index^c series, where our score reduced by 1% point to 83 points against an industry average of 58 points (2016: 61 points), and the FTSE4Good Index series^d, with our absolute score up to 4.3/5 (2016: 3.9/5) and our position relative to the banks sector improved to the 91st percentile (2016: 78th percentile). Barclays was rated 'BBB' by MSCI ESG Ratings^e (2016: 'BBB') and scored 61 points in Sustainalytics ESG^f Ratings (2016: 62 points).

Policies and guidance can support delivery towards the key outcomes for citizenship. The Barclays Way contains statements on: respect for society - our Shared Growth Ambition; respect for human rights; respect for the environment and supporting the communities in which we operate.


Our activity is supported by policies and position statements on a range of material issues including: environmental sustainability; modern slavery; human rights; and anti-bribery and anti-corruption. These are available at home.barclays/citizenship/our-approach/policy-positions.html.

Barclays' Group Statement on Human Rights aims to achieve a consistent and comprehensive approach to respecting human rights. We are committed to operating in accordance with the Universal Declaration of Human Rights and we take account of other internationally accepted human rights standards. We respect and promote human rights through our employment policies and practices, through our supply chain and through the responsible provision of our products and services.

The Barclays Anti-Bribery and Anti-Corruption (ABC) Policy and Standards and the Barclays Introducer Policy and Standard extend to all Barclays' business dealings globally. Barclays takes a zero-tolerance approach to bribery and corruption and we are committed to conducting our global activities free from any form of bribery and corruption. We also expect the same from any third parties providing services for or on behalf of Barclays. Employees who fail to comply with the requirements of our policies and standards may face disciplinary action, up to and including dismissal or termination of employment.

Performance against our strategic non-financial performance measures for citizenship is one indicator of the effectiveness and outcome of certain policies and guidance. Policies which support our citizenship strategic non-financial measures include aspects of our policy statement on environmental sustainability.

The full details of our policies and position statements are available at home.barclays/citizenship/our-approach/policy-positions.html

 We provide additional information in the Environmental, Social, Governance (ESG) Report 2017 available at home.barclays/annualreport

Notes

- a 2016 carbon reduction actuals have been restated due to improved billing data replacing estimates and restatements to travel emissions. Further detail available in the ESG Report
- b Unique participants measures colleague involvement in eligible volunteering, matched fundraising, regular giving initiatives. Data sourced from internal reporting systems including several manual sources
- c Source: S&P Dow Jones; Sustainable Asset Management (SAM)
- d Source: FTSE Russell
- e Source: MSCI ESG Inc
- f Source: Sustainalytics Inc

