

BARCLAYS EXECUTION SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2020

Key performance indicators

The Company is part of Barclays Group, which uses a variety of quantitative and qualitative measures to track and assess holistic strategy delivery across the Group.

Indicators in respect of the Company's role as Barclays' operational continuity vehicle

The indicators which the Company monitors directly are primarily those which ensure it remains financially resilient in accordance with operational continuity principles.

Recovery rate: this is monitored to ensure that the Company is fully recovering its cost base through the service fee it charges.

Recovery rate for 2020 was 0.29% (2019: 3.89%)

The recovery rate is calculated as PBT excluding revenue one-offs (net investment income, dividend from subsidiary, impairment on investments in subsidiaries and trusts and other income) as a proportion of total operating cost plus net interest expense.

Liquidity: these are monitored to ensure the Company meets operational continuity requirements in respect of access to liquid assets.

Liquid assets as at 31 December 2020 were £2.51bn (2019: £2.39bn).

Other indicators

The Company's performance contributes to the Barclays group and delivery of strategy is primarily measured at a Group level. The development, performance and position of the Barclays Group, is discussed on pages 22-52 and 240-241 of the Barclays PLC 2020 annual report which does not form part of this report. The Company primarily meets its disclosure obligations in respect of performance indicators through the disclosures included in the Group report. By providing the overall Group context, these give the most appropriate picture of the development, performance and position of the business of the Company.

Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of its member as a whole and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders, including employees and pensioners; our customers, which consists primarily of entities within the Barclays Group; our suppliers; and our shareholder, Barclays PLC; regulators; the UK Government and non-governmental organisations.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or directors of Barclays PLC engaged with them, the key issues raised and actions taken on pages 16 to 21 of the Barclays PLC Annual Report 2020 which is incorporated by reference into this statement.

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it will not always be possible to deliver everyone's desired outcome or necessarily achieve a positive outcome for all stakeholders.

How does the Board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

BARCLAYS EXECUTION SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2020

Section 172(1) statement (continued)

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations on, and the interests and views of, our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

Engagement in action

The following is an example of how the Directors have had regard to the matters set out in section 172 when discharging their duties, and the effect of those considerations in reaching certain decisions taken by them.

COVID-19

Throughout almost the entirety of 2020, as the pandemic unfurled, the primary focus of the Company and the Board has been on (i) the operational and financial resilience of the Company to ensure the Barclays Group has been able to maximise its support for the economy and society during a time of such challenge; (ii) supporting Barclays Group's customers and clients to relieve financial pressure whilst at the same time working with the UK Government to deliver programmes to help businesses; and (iii) protecting the health and well-being of colleagues (the 'COVID-19 Priorities'). The Board has demonstrated leadership and oversight during the pandemic, and this continues at the date of this report.

Customers

During the pandemic the behaviours of the Barclays Group's customers' has continued to evolve placing even greater reliance on Barclays' digital capabilities to serve their needs in the most convenient way for them. Customers have placed increased reliance on our digital capabilities, being constantly available whenever they need them and protecting their interests at all times. We have therefore accelerated our investment in our digital and automation agenda, enabling the Group's customers' to bank and transact with companies within the Barclays Group more easily. More details on Barclays' technology initiatives can be found on page 12 of the Barclays PLC Annual Report 2020 'Continue digitalising' sections (which does not form part of this report).

Colleagues

The Board received regular updates explaining the measures being implemented to protect and safeguard the health and well-being of our colleagues. We have a long established approach to engaging regularly with colleagues to ensure that our Board listens and takes all perspectives into account in its decision making and action plans. As a result of COVID-19, many of our events this year were web based. The Board has reinforced Government guidelines providing colleagues with the equipment necessary to enable colleagues to work from home. This has included increased technological support, laptops and other home office equipment and human resources support. Recognising the additional pressures and challenges faced by colleagues as a result of the pandemic, the Board has also endorsed the provision of support services and helplines for colleagues as well as the provision of education and training tools, including increased support in relation to mental health and wellbeing.

Over the last 12 months, we have learnt an enormous amount about the benefits and challenges of working more flexibly. Ultimately, we believe this will inform our ambitions for future ways of working.

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STRATEGIC REPORT (CONTINUED)
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Section 172(1) statement (continued)

Our regular Here to Listen and YourView surveys are a key part of how we track engagement. In 2020, in part in response to the challenge of the COVID-19 pandemic, we improved the effectiveness and regularity of how we do this. The 2020 YourView survey results were generally positive, with the Group's engagement score increasing to 83%, with large increases in favourability seen in areas such as tools and resources, efficiency and collaboration. Focus for 2021 will be to drive improvements in the focus areas identified from the 2020 YourView survey: wellbeing, speaking up, simplicity and efficiency, and collaboration and innovation.

FOR AND ON BEHALF OF THE BOARD

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M Ashton-Rigby
Director

Date: 20 April 2021
Company number: 01767980