



Barclays PLC
Annual Report 2021
Part 1



Barclays is a British universal bank. We support individuals and small businesses through our consumer banking services, and larger businesses and institutions through our corporate and investment banking services.

Growing. Together.

Our Purpose

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

→ Read more on why and how we are growing together on page 2

... influences our strategy ...

Our diversification, built to deliver double-digit returns



Strategic priorities to sustain and grow



→ Read more on our strategy on page 10

... which we will deliver through the Power of One Barclays ...



→ Read more on our business model on page 12

... creating positive outcomes for our stakeholders.

Customers and clients

Colleagues

Society

Investors

→ See our Key Performance Indicators on page 20

Which in turn helps us fulfil our Purpose

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Parts 1 and 2 of the Barclays PLC 2021 Annual Report together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

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The Barclays PLC Strategic Report 2021 was approved by the Board of Directors on 22 February 2022 and signed on its behalf by the Chairman.

Please note that throughout the document, graphical representation of component parts may not cast due to rounding.

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Financial review

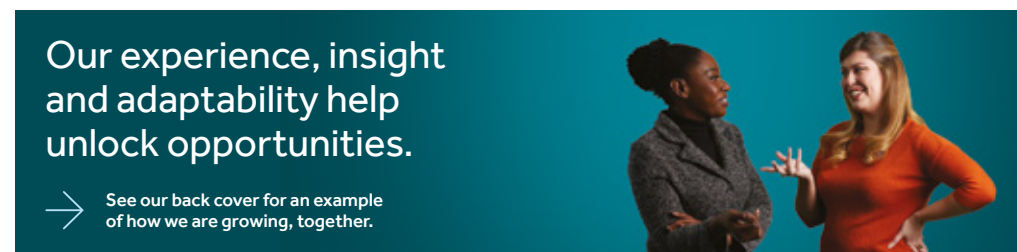
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Report of the auditor

The Auditor's report on the Financial statements of Barclays PLC for the year ended 31 December 2021 was unmodified, and its statement under Section 496 of the Companies Act 2006 was also unmodified (see page 314 of Part 2 of the Annual Report 2021).



Our value proposition.

Strong economies need strong banks. This is true not only because finance is the lifeblood of economic prosperity, but also because the way banks facilitate that finance can have positive effects for society too.

Growing. Together.

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

We are able to do so because of our diversification. As a British universal bank, we have diversity in the types of customers and clients we serve – from individuals and small businesses to global corporations to governments – as well as the geographies we operate in and the types of income we generate. This diversity gives us resilience through economic cycles and gives us the platform to deliver a consistent level of financial performance.

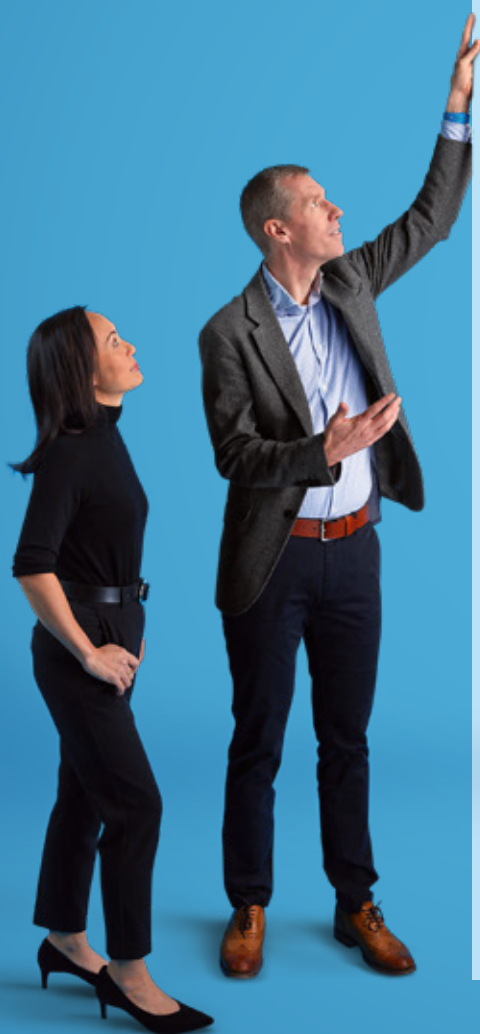
That, in turn, means we can better serve our stakeholders. We aim to deliver for our customers and clients, create a great place to work for colleagues, support society and provide consistent returns to shareholders. As we target sustainable growth for our Company, our stakeholders will be able to grow with us.

 [Read about our Purpose at home.barclays/purposeandvalues](https://home.barclays/purposeandvalues)

 [Read about our business model on page 12](#)

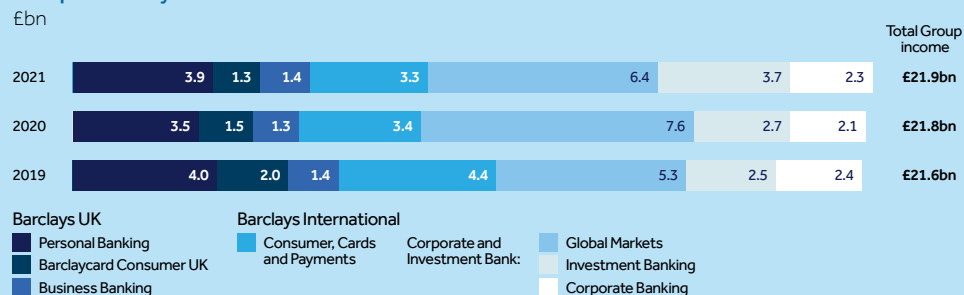
Left: **Pranee Laurillard**
Co-Founder, Giggling Squid

Right: **Philip Richardson**
Barclays Director, Hospitality & Leisure

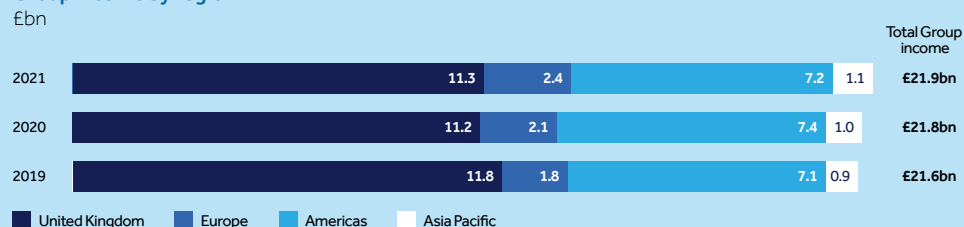


Demonstrating the benefits of diversification

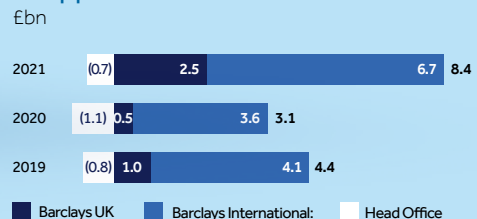
Group income by business



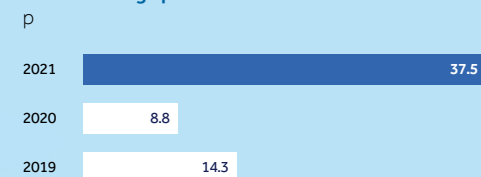
Group income by region



Group profit before tax



Basic earnings per share



Our value proposition continued

Barclays' two divisions – Barclays UK and Barclays International – are an important combination providing breadth of insight and reach across our markets.

Adapting at scale to support

Our UK retail and business bank, combined with our international consumer lending, cards and payments franchise, gives us breadth in consumer financial services. The depth and quality of our customer data helps us understand the ever-changing needs and expectations of consumers and small businesses, meaning we can adapt our business to deliver next-generation, digitised products and services. This scale and versatility also meant we could support the UK Government's COVID support programmes.

Experience and insight

As one of the few global diversified banks outside of the US, and a scale corporate and investment bank in the US, we can support our CIB clients with a different perspective. We offer expertise in a wide range of services, including financial advisory, capital raising, financing and risk management services. These services help facilitate corporations, financial institutions, and governments worldwide. As the capital markets become an increasingly important source of finance for these clients, our capability in this area is critical to support their needs and economic growth, and to grow our business. Using our experience and insight, we can deliver growth for our stakeholders and make a real contribution to societal challenges.

→ [Read about our market overview in the CEO introduction on page 6](#)
[Read about our strategy on page 10](#)

Left: **Kristina Sullivan**
 Assistant Vice President,
 US Partnerships, Barclays

Right: **Hanan Sofiane**
 Senior Analyst, Cobrand and
 Loyalty Marketing, JetBlue Airways



Progress of consumer digital adoption

Number of registrations on the Barclays app

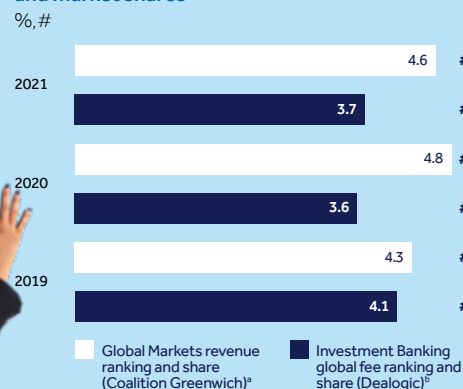
10m

Number of logins on the Barclays app

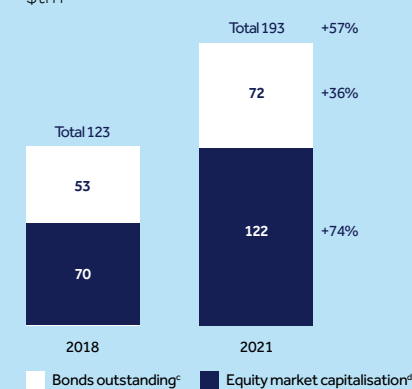
3bn+

Capital market position of Barclays and the opportunity presented from growing markets

Corporate and Investment Bank revenue ranks and market shares

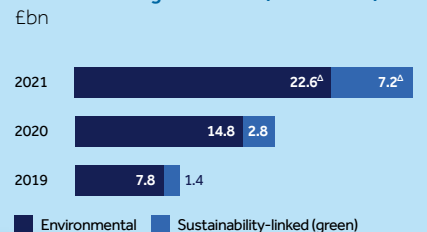


Growth in public capital markets since 2018 \$trn

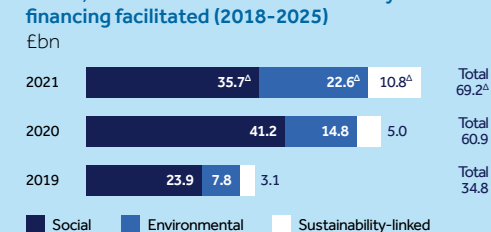


ESG financing growth

Green financing facilitated (2018-2030)



Social, environmental and sustainability-linked financing facilitated (2018-2025)



Notes

- a Coalition Greenwich, Preliminary FY21 Competitor Analysis. Market share represents Barclays share of the Global Industry Revenue Pool. Analysis is based on Barclays' internal business structure and internal revenues. Rank result is against the Coalition Index Banks. FY20 market share has been restated from last year's published value based on latest analysis.
 - b Dealogic for the period covering 1 January 2019 to 31 December 2021. FY19 market share has been restated from last year's published value based on latest analysis.
 - c Bonds represent debt issuance outstanding for Investment Grade (Source: Bloomberg Barclays Global Aggregate Index LEGATRUU) and high yield (Source: Bloomberg Barclays Global High Yield Index LG30TRUU).
 - d Source: Bloomberg WCAUWRLD Index representing the market capitalisation from all shares outstanding. Data does not include ETFs and ADRs.
- ^Δ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/.

Chairman's introduction

2021 was a challenging year in many respects, but Barclays responded well. All of our colleagues can be very proud of their achievements during the year.

Optimism for the future

The defining backdrop to 2021 was the continuation, and evolution, of the COVID-19 pandemic, together with the associated economic uncertainties. Our colleagues have continued to work hard, adapting well to the mixed home/office environment, while also confronting the dreadful reality of the various COVID-19 waves, such as we saw in India in Q1 2021. Ensuring compliance with government guidance has been a priority, and of course the rules have varied from location to location. Barclays has tried to be as flexible as possible, recognising that there are colleagues nervous of a return to crowded transportation just as much as there are those who feel better by being in the office.

We hope to settle into a clearer working pattern in 2022 and fully expect that to encompass a greater degree of choice and flexibility than in the past, a welcome development. Consistent with our Purpose, 'to deploy finance responsibly to support people and businesses', we expect to be able to adjust the nature of work in such a way that it enhances our ability to serve customers and clients properly.

Performance

While the Group benefited from extraordinary levels of activity in Investment Banking and Global Markets during the COVID-19 pandemic, it also faced declines in consumer spending and card balances. The welcome policy responses of governments to the pandemic brought considerable relief to individuals, households and companies, as well as a prolongation, at least until recently, of the low interest rate environment. All in all, colleagues should be very pleased with the strong results this year and the high degree of capital and operational resilience achieved against this backdrop. We are also pleased to have been able to distribute returns, through a resumption of dividends and a commencement of share buy-backs, to our shareholders. Their understanding and support during the current health and economic crisis has been much appreciated.

This performance was in no small way a credit to Jes Staley, who left Barclays as Chief Executive towards the end of the year, and the team he assembled. It is obviously not appropriate for me to comment at the moment, further than has been done already, on the circumstances of Jes's departure. It is important to let the regulatory and related processes take their course and, at the time of writing this letter, they have not completed. It is appropriate, however, to recognise that under the leadership of Jes, Barclays established a clear strategy, built up a secure capital base, improved its operational resilience and developed its business-leading franchises. We are therefore grateful for the hard work that he put in for the Company.



“ Colleagues should be very pleased with the strong results this year and the high degree of capital and operational resilience achieved against this backdrop.

As a consequence of having an effective succession plan in place, the Board had no hesitation about asking CS Venkatakrisnan (known as Venkat) to take on the leadership of the Company. Venkat has been with Barclays for six years, first as Chief Risk Officer and latterly, and in anticipation of succeeding Jes Staley in due course, running Global Markets. The Board is confident that Venkat will be a great leader of the business.

Tushar Morzaria has informed the Board of his intention to retire and the Board is delighted to have, in Anna Cross, such a strong internal successor. Anna was identified over a year ago as the Board's preferred successor, following a review of potential internal and external candidates. Tushar has been an outstanding Finance Director and colleague, as well as playing broader roles inside and outside Barclays; the Board is both grateful for his immense hard work and delighted that he will have a continuing role with Barclays.

Chairman's introduction continued

Looking ahead

2022 will also be a challenging year, albeit mainly for different reasons compared to 2021. In Venkat's letter to shareholders he paints a picture around three major themes which will shape much of Barclays' evolution – the opportunities and threats of digitisation, the continuing growth of the public and private global capital markets and the overarching importance of our environmental and other societal responsibilities. The Group's strategy will be largely unchanged but, building on the strengths that he has inherited, I am sure that Venkat, with the rest of the management team, will ensure that its implementation rigorously focuses on the impact of these three material themes. They all bring challenges and choices. Perhaps I can illustrate this in a couple of cases, each of which has enjoyed considerable focus by the Board through the year.

Our UK retail business continues to adapt to a world in which over 90% of interactions undertaken through bank branches no longer require a branch visit and many of our new customers do not visit one at all. This is a major opportunity to make financial services faster, more accessible and cheaper for people. At the same time, there is a large number of people who really benefit from personal interaction, and under some definitions, over half of the UK population will be classified as 'vulnerable' in one way or another in their lifetime. It is central to Barclays' strategy that we adjust our footprint without neglecting the needs of society. We are one of the driving forces behind the current initiatives to share bank infrastructure across the major banks and thereby provide physically present services to communities that can no longer support one individual bank branch, let alone several. We are very conscious of the important part we play in providing banking services for people everywhere. While we may close branches we will not be cutting off those communities and remain committed to the provision of basic banking services.

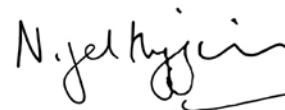
I believe that our commitment to society as a whole is well reinforced by our community and charitable activities. Going forward these will more clearly focus on unlocking both skills and employment, especially for historically under-represented groups, and sustainable growth for young businesses in particular. To take one example, our LifeSkills programme has now reached more than 15 million people and we aim to reach 2 million more in 2022. Another example is the £100m COVID-19 Community Aid Package launched in the first few months of the pandemic. This has now supported more than 370 charity partners around the world, including in India at the height of the Delta variant, getting much needed food, hygiene and PPE kits to those in need.

There are important issues ahead on the environment as well. Barclays remains focused on its net zero ambition and committed to Paris alignment across all of its financing activities. At the same time, we firmly believe in supporting transition and ensuring that those companies that are committed to a Paris journey receive the financing they need in order to fund that business and environmental shift. This shift will not be achieved by driving the banks out of financing all major energy and power companies but by recognising the complexity of the energy transition and continuing to work with market participants on shifting both supply and demand to accelerate an orderly and just transition. The wrong response could push ownership and financing away from responsible stewards of those assets and activities. It is a measure of the weight we attach to the wider ESG framework that we have integrated our ESG report into this year's Annual Report; ESG is no 'add-on' and it should be at the heart of any company's strategy and operations. Our Purpose statement deliberately stresses 'for the common good and the long term' and we believe that the actions we are taking are a responsible long-term approach to the climate crisis.

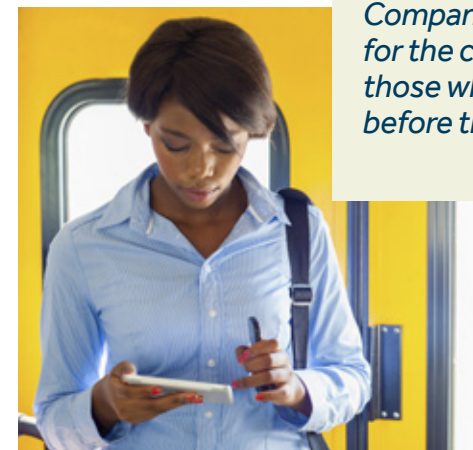
Our work to do more to embrace the Race at Work agenda has also made progress. This year, we are on track to achieve our goal of doubling the number of Black Managing Directors working for Barclays, although we must be frank with ourselves that we are building from a low base in this regard. We aim to increase the number of under-represented minority employees by 25% in the UK and 20% in the US by the end of 2025. We recognise we have much further to go before our workforce can become properly reflective of the world we live in.

Thank you

I would like to end by thanking all my Board colleagues for their contributions this last year. The Board has responded well to the issues we have faced. We welcomed Julia Wilson in April 2021 and Robert Berry in February 2022. We go forward in 2022 with a new Chief Executive and Finance Director and I am as optimistic for the future stewardship of the Company as I am grateful for the contribution of those who held office before them.



Nigel Higgins
Chairman



//
We go forward in 2022 with a new Chief Executive and Finance Director and I am as optimistic for the future stewardship of the Company as I am grateful for the contribution of those who held office before them.

Chief Executive's introduction and market overview

Banking is undergoing a deep transformation driven by a number of major forces of change. Each brings challenge and opportunity for Barclays. It is essential that our strategy reflects these challenges and opportunities, and that we adapt and innovate to grow

Challenge and opportunity

It is a great honour to be the Chief Executive of Barclays.

I am deeply conscious that I succeed a three-century long line of stewards of this Company. It is my turn, with this generation of colleagues, to provide the Group with the financial strength and business capability for continued prosperity.

In this brief letter, I will address our recent financial performance, the current business and operating climate, and how we aim to adapt and grow our products and services, particularly digitally, to meet the needs of our customers. It is a statement of strategy and approach, paying close heed to our role in society.

A Universal bank, based in Britain

We are a British bank with a universal model, offering a range of services to clients worldwide. We are a large consumer bank, managing an excellent credit card franchise, a leading corporate bank, and one of the largest global investment banks. Each is a successful business in its own right, but together they comprise a resilient and balanced Group, which has delivered record levels of profitability in 2021.

Group Profit Before Tax for 2021 is £8.4bn and Group Return on Tangible Equity for the year is 13.4%, with both our operating divisions – Barclays UK and Barclays International – delivering double-digit returns. We also remain highly capitalised, with a CET1 ratio of 15.1% as at year end.

Given this strength, we have been able to announce a return of over £2.5bn of excess capital to shareholders for 2021, comprising a dividend of 6p per share and £1.5bn in share buy-backs. This is equivalent to a total payout of 15p per share. Continuing to return capital to shareholders remains an important priority and, as we end the year with a CET1 ratio above 15%, I am confident in our ongoing ability to do so.

Our diversification has been an essential feature of the resilience of the Group through the ongoing COVID-19 pandemic. In 2020, strong profitability in our Corporate and Investment Bank (CIB) helped us withstand a severe downturn in our consumer businesses. This year, the robust performance of the CIB continued while our consumer businesses also recovered, in line with the broader economy.

Over the last five years, Barclays' share price has declined by 16%, but this is less than the 26% decline in the FTSE 350 UK Bank Index over the same timeframe. In stark contrast, we have meaningfully underperformed our US peers, who are up 66% on a combined basis over the same period. This underscores the necessity of producing steadily improving financial performance, maintaining commitment to our business model and clients, explaining it well to our investors and overcoming the particular challenges of our local economic circumstances.



“
Banking is undergoing a deep transformation driven by three major forces of change: technology, the growth of capital markets, and climate transition. Each brings challenge and opportunity for Barclays.

Our performance over the last two years, certainly compared to UK banks, is evidence that the universal bank strategy has provided strength and stability. I am grateful to my predecessor, Jes Staley, and to our Group Finance Director, Tushar Morzaria, for forging this path. I have no doubt that this diversified model will remain the bedrock of our success for many years.

I would also take this opportunity to acknowledge Tushar Morzaria's enormous contribution to Barclays over the past 8 years, and to thank him personally for this and for his support. I am delighted that Tushar will continue with Barclays as Chairman of Global Financial Institutions Group in our Investment Bank. Our clients will be able to benefit further from his deep knowledge of our industry. I strongly endorse the appointment of

Anna Cross as Group Finance Director and am delighted that the Board has asked her to succeed Tushar. I look forward to working closely with Anna as we continue to deliver our strategy.

Chief Executive's introduction and market overview continued

Winds of change, and opportunity

The universal banking model informs the collection of businesses in which we engage – wholesale and consumer; trading and lending; payments and cards. However, it does not tell us how to run each business to its full potential and over time.

Banking is undergoing a deep transformation driven by three important forces of change: technology, the growth of the public and private capital markets, and the climate transition. Each brings challenge and opportunity for Barclays.

1. Next-generation consumer financial services

Digitisation has liberated finance, providing our customers and clients with an explosion of cheaper and better products and services, and a more seamless and efficient user experience. This applies equally in wholesale and consumer finance, but is more easily observed in the transformation that has taken place in retail financial services over the last 20 years. Today, I deposit, withdraw, pay, and transfer funds, domestically and internationally, at any time day, anywhere, on a phone. This is a very different world from the 1970's in India, when I first opened a bank account.

Nothing exemplifies these changes better than the growth of newer, non-bank, entities. Today, the market capitalisation of the largest UK banks and the major non-bank financial technology firms (Fintechs) operating in the UK is roughly the same, around £250bn. 20 years ago the latter group barely existed.

Our challenge and opportunity is to provide customers with equal, and possibly better, convenience and functionality than they receive from these firms. On the one hand, I am gratified with the progress already made on this journey – over the last decade, we have given millions of customers the power to open accounts, identify themselves electronically and securely, access products, view digital receipts and earn loyalty points, all in the palm of their hand, day and night.

On the other hand, the road ahead is long and steep.

We must continue to advance technology, of course, but we must also have an innovative mindset to bring to market new products and services, just as the pioneers of Barclaycard did in the past. To take one example, 'Buy Now Pay Later' (BNPL) allows customers to split purchases into smaller payments, or to defer them. The concept is not new – shopkeepers have been offering their customers credit for hundreds of years – but the implementation is innovative and represents a different lending product alongside credit cards and personal loans.

We have collaborated with the world's largest retailer, Amazon, to bring a digital BNPL product to users in Germany and the UK. We provide customers with accessible financing, backed by the consumer protection and trustworthiness of engaging with a regulated lender. This exemplifies for me how we should be operating: innovation, founded in trust and responsibility.

Digitisation of finance has also created new forms of old dangers. Financial scams are a growing menace for banks and for customers, with criminals exploiting the ease with which funds may be accessed and transferred. This threat requires much greater cooperation between business, legislators and regulators to increase customer education and improve their protections. Barclays is committed to help lead that new approach.

The dominant business challenge for the next decade will be to continue to transform our Company to deliver services digitally, with ease, flexibility and adaptability. This will get harder as we compete not just with other banks for talent and ideas, but with well-funded, superbly equipped and lightly regulated – therefore more fleet-footed – technology firms that attract the brightest graduates from top universities.



We must provide the same ease and flexibility for our customers that they get from technology firms, and invest not only to keep pace but to stay ahead.



Facts and figures

Profit before tax

£8.4bn

2020: £3.1bn

Return on Tangible Equity

13.4%

2020: 3.2%

CET1 capital

15.1%

2020: 15.1%

Total payout per share

15p

2020: 5p

Indeed, as technology continues to transform consumer financial services, so too are our businesses changing. Across Barclays UK and Consumer, Cards and Payments, we will continue to invest heavily in our digital capabilities as a means of delivering better products and services, more efficiently, and with higher profitability. Indeed, we expect our investment in payment capabilities to yield an additional £900m of income between 2020 and 2023.

Chief Executive's introduction and market overview continued

2. Growth of the public and private global capital markets

Barclays is the sixth-largest global investment bank^a, and the largest not domiciled in the US. Our relative position has improved in the last five years as other European banks have exited from some or all of this business. In Investment Banking, we rank sixth globally, up from seventh last year, while our Global Markets business maintained its sixth place for global revenue, up from seventh in 2018. The capital, infrastructure, talent and regulatory requirements of being a global investment bank have steadily increased since the financial crisis. It is therefore a competitive strength for us that we are one of the few firms that can afford to offer these services and also be successful at it.

The value of our franchise depends on the growth and health of the global capital markets. These are the venues – increasingly electronic – where companies, institutions and governments issue securities, underwritten by banks, and where they are traded. Combining the total market capitalisation of those securities around the world, we have seen roughly 50% growth in the value of equities and bonds outstanding over the last four years alone, increasing from \$123trn in 2018 to over \$193trn today^b.

As the public markets have grown, so too have the private ones, at a greater pace. Since 2018, the total assets under management in the private markets have grown 65%, from \$6.0trn to \$9.8trn^c. The largest Private Equity and Credit funds dominate the list of asset managers by size and profitability. They are now among our biggest clients, requiring innovative financial structures to support their own sophisticated needs. We help them devise their transactions, identify assets to purchase and sell, connect them to counterparts with whom they transact, provide financing to support their trades, and investments to employ their proceeds.

The capital markets business is cyclical and can be volatile. The cyclical nature can be a blessing, as demonstrated in recent years when performance in Investment Banking and Global Markets helped offset a downturn in the consumer banking cycle. Equally, our business requires scale to sustain earnings in weaker times, and versatility to adapt to them. I am happy to report that, through 2021, we have been able to grow our revenues across Investment Banking fees and Equities^d. Our performance has benefited, not just from higher market activity, but because of a steady accumulation of talented traders and bankers, investment in systems and technology, and a

consistent commitment to Investment Banking after a period of wavering a decade ago. Building on our culture of innovation and quality, we want to sustain and grow our market share, to protect earnings even during weaker periods in the cycle.

Volatility is an ever-present opportunity and risk. Our trading businesses transact in, and lend against, vast amounts of securities, of different types and varying credit quality. These are denominated in many currencies, and sometimes have great structural complexity. We engage with a variety of counterparts, from governments, to corporations to private investment vehicles. This activity yields considerable financial reward, but is subject to market price uncertainty, counterparty weakness and operational imperfections. Barclays invests deeply in the systems, controls and culture to protect against large or surprising losses. These controls have protected us in the last many years, but we remain ever vigilant.

As in the consumer business, broad technological prowess is essential to competing effectively in the Corporate and Investment Bank. We want to be a best-in-class electronic bank to our Global Markets clients. We will continue to expand in Prime Financing, to grow our share in Securitised Products and take our Investment Banking strength into new economy sectors like Technology and Healthcare. In the Corporate Bank, we want to diversify our revenue by growing our market share in Europe and the US, and by growing Transaction Banking.

3. Transition to the low-carbon economy

Most forms of technological innovation, particularly after the industrial revolution, have been driven by the urge to hasten travel and communication, to automate and mass-produce, to make life more comfortable, efficient and healthy, and in the internet-era, to connect, compute and to disseminate. However, we may now be on the threshold of an era of innovation that aims to halt and negate the deleterious effects on our planet of previous inventions. This is the drive to net zero, limiting the use of fossil fuels, emphasising renewable energy and reversing the post-industrial growth in greenhouse gas emissions.

Financial firms have a central role to play in this transition, providing credit and intermediating investment. We are unlikely to create new green technologies ourselves, but we can help channel resources into them, and transmit market-based incentives for individuals and companies to change, and penalties for resistance. The scale of the investment needed is vast, estimated to be between \$3-5trn per year over the next 30 years^e.

Barclays must have a constructive role in managing the transition. As this fundamental re-organisation of the global economy takes place, affecting every business in every sector, we want to capture opportunity for our Company in meeting the demand for climate change related financing. That means being the trusted partner for our customers and clients as they transition, advising and supporting as they adapt their business models and lifestyles to become more sustainable. It requires us to use our investment banking and capital markets expertise to help build low-carbon energy capacity, including facilitating £100bn of green finance by 2030. It necessitates developing banking products that help consumers and small businesses make greener choices, and it requires investing our own equity capital in the young companies that are inventing the low-carbon emission technologies of tomorrow.



The value of our franchise depends on the growth and health of the global capital markets.



Notes

- a Top 6 Global Investment Bank supported by #6 ranking in Investment Banking (Source: Dealogic) and #6 ranking in Global Markets (Source: Coalition Greenwich, FY21 Preliminary Competitor analysis).
- b Bonds represent debt issuance outstanding for Investment Grade (Source: Bloomberg Barclays Global Aggregate Index LEGATRUU) and high yield (Source: Bloomberg Barclays Global High Yield Index LG30TRUU) Equities source: Bloomberg WCAUWRLD Index representing the market capitalisation from all shares outstanding
- c Source: Preqin "Future of Alternatives 2025" data excluding Hedge Funds, period covering 2018 – H121.
- d On a comparable basis, period covering 2014 – 2021. Pre 2014 financials were not restated following re-segmentation in 2016
- e \$3-5trn as estimated in the GFMA/BCG (Global Financial Markets Association/Boston Consulting Group) Climate Finance Markets and the Real Economy report, December 2020

Chief Executive's introduction and market overview continued

While we whole-heartedly embrace the net zero ambition, for ourselves and the world, we must be mindful of the risks, especially at this early stage, of pursuing simplistic solutions that create undesired consequences. We know we must reduce the emissions of greenhouse gases per capita without undermining the ambition of developing countries to improve their standards of living. We need to curtail, and eventually eliminate, use of the most polluting fossil fuels, without creating energy shortages amid growing global demand for power. We must also answer questions about how to support the best and most innovative new technologies, and how to encourage individuals to adopt them. Lastly, we must have a robust approach to assessing and managing our own financial exposure to climate change risk.

The economic environment

We pursue our business priorities conscious that we are in more than usually uncertain times. The pandemic has deeply affected global economic activity, depressing some sectors and boosting others, requiring vast amounts of government monetary and fiscal stimulus to support employment and fight inequality, and leading to levels of capital markets activity and volatility seen rarely in a generation. Perhaps most notably, we have seen a rise in both UK and US inflation to heights not seen since the 1980s and early 1990s.

As we look to the future, we know that a new generation of our citizens will have to learn to invest and save in a manner that their parents have typically not done, while a new class of political and economic leaders may have to use tools that have long lain dormant in their institutions. Risks of rapid change in economic performance, and sentiment are high during changes in the economic cycle, and they can be amplified by the inescapable corrections to policy formulation and implementation. The economic cycle is changing at the same time as a shifting geo-political environment, with re-aligning super-power balances and trade and economic tensions heightened by the pandemic. Countries are having to make difficult choices relating to trade protection, addressing income inequality, managing climate change, and funding defence.

The banking business, both wholesale and retail, is inexorably tied to these trends. As we pursue our strategic priorities to sustain and grow our Company, we will also need to be mindful of the external landscape in which we are operating. The decisions about investment and expansion must be aligned to our Purpose, and in the areas where we see the highest, and safest, expectation of reward.

Supporting inclusive growth

The experience of the pandemic underlined the importance of finance to society. As a tool used sensitively and sincerely to support individuals and business, it has been an anchor for economic and social stability.

I believe strongly in the role of a bank like Barclays to support inclusion in all its forms. Inclusion fosters political and social stability; it facilitates equitable economic growth; it nurtures talent and discovers potential; it makes us care for the vulnerable; it reduces inequality; it realises the contribution – financial, social, creative, intellectual, cultural – of all of our citizens; and it creates common bonds and understanding between individuals and groups, the very essence of society.

In the move to digitise finance, we must make provision for those who are not using technology to access services. That includes access to banking and cash in the UK, where our active participation has helped the Cash Action Group create shared solutions to this social challenge. Financial inclusion, from the cradle to the grave, is built on a strong foundation of education, which we are already supporting with our ground-breaking programmes, like LifeSkills. As we go through the transition to a low-carbon economy, we need to help people and businesses finance the expensive adjustment to fuel-efficient products and services. And, of course, there is a need for our economic to confront the old challenge of regional and racial inequalities.

As we look forward, there remains a continuing need for Barclays to support inclusion in all its forms, educating and employing the disadvantaged, improving financial literacy, protecting the vulnerable from financial exploitation, and sustaining the economic life of the societies we serve.

The principles of our Quaker founders in 1690 included integrity, community and stewardship. Our own stewardship of Barclays seeks to remain faithful to that ethos.

Thank you

None of the success we achieved this year could have taken place without the dedicated effort of colleagues all across the organisation. Culture is important, and having the right culture, aligned to our Purpose and our Mindset is critical to delivering a sustainable performance for our customers and clients,

shareholders and wider stakeholders. I am deeply grateful to my colleagues, who nourish our centuries old corporate culture, and enormously proud to be at Barclays.

C. S. Venkatakrisnan

Group Chief Executive, Barclays



→ See our strategy on pages 10 to 11
See our approach to managing risk on pages 44 to 46
See how we act in our society and environment on pages 35 to 39



Go online at home.barclays/annualreport



I believe strongly in the role of a bank like Barclays to support inclusion in all its forms. Inclusion supports political and social stability, and sustainable economic growth.

Our strategy

Our universal bank model provides us with strength and stability, and we have priorities to sustain and grow our business.

Sustaining and growing...

Our Purpose informs our strategy

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

Our diversification, built to deliver double-digit returns

Our diversification means we are resilient through economic cycles and can deliver double-digit returns.

- A large scale retail and business bank in the UK.
- An international bank containing:
 - a top tier global corporate and investment bank
 - a broad international consumer lending, cards and payments franchise.



Strategic priorities to sustain and grow



Deliver next-generation, digitised consumer financial services.



Deliver sustainable growth in the CIB.



Capture opportunities as we transition to the low-carbon economy.

Our strategy continued



Deliver next-generation, digitised consumer financial services

As technology transforms consumer financial services, we are building and delivering improved products and services for our customers, leveraging our payments interconnection and improving our efficiency.

- Investing in digital capabilities to improve service for customers and unlock new sources of income:
 - accelerating digital access and adoption, while ensuring we do not leave customers behind
 - building more cost-effective infrastructure
 - using the quality and scale of our data to better understand customer needs, anticipate trends and deliver more competitive products and services.
- Realising value from investment in Payments across the Group, delivering £900m of additional income between 2020 and 2023.
- Expanding unsecured lending in the UK, US and Europe through Corporate partnerships.
- Create a competitive Wealth franchise to efficiently service our customers' evolving needs.



Deliver sustainable growth in the CIB

As the capital markets grow, we will seek to maintain our market position as a top six^a global investment bank while investing in new capabilities for our clients.

- Building consistent strength in investment banking, expanding in new economy sectors, Equity business and M&A.
- Prioritising digital investment to ensure we are an electronic first markets business, while growing our share in Securitised Products and Macro Rates, FX, and EM.
- Capture greater client flow in Equities and disrupt Prime financing.
- Broaden corporate banking product capability, particularly in Europe and US.
- Selectively expand the CIB internationally, including in the Middle East and China.



Capture opportunities as we transition to a low-carbon economy

We want to be alongside customers and clients as they transition to a low-carbon economy, using our advisory and financial expertise to help them navigate this period of extraordinary change.

- Using our financial and capital markets expertise to support the scale-up of low-carbon technologies, infrastructure and capacity.
- Supporting clients to decarbonise by providing advice and finance, including supporting transition away from fossil fuels.
- Continuing to develop green and sustainable banking products, including green mortgages, bonds, loans and investment funds.
- Investing equity capital in sustainability-focused start-ups with growth potential.
- Continuing to make progress to achieve our ambition to become a net zero bank by 2050, including aligning all of our financing to the goals of the Paris Agreement.

Notes

- ^a Top 6 Global Investment Bank supported by #6 ranking in Investment Banking (Source : Dealogic) and #6 ranking in Global Markets (Source : Coalition Greenwich, FY21 Preliminary Competitor analysis)

Our business model

We deliver our strategy through the Power of One Barclays which brings our organisation closer together to create value.

Creating synergies

We deploy our resources...

We can draw on a set of intangible factors and tangible assets that drive value creation.

... serving our diversified customer base across all of their financial needs...

Thanks to our wide range of products and services across markets, we define ourselves as a 'Universal bank'.



People, values and mindset

Our people are our organisation. We deliver success through a purpose-driven and inclusive culture.



Our brand

Our brand equity instills trust, lowers the cost of acquiring customers and clients and helps retain them for longer.



Technology and infrastructure

Our deep technology and infrastructure capabilities drive customer experiences and support strong resiliency.



Operations and governance

Our risk management, governance and controls help ensure customer and client outcomes are delivered in the right way.

Move

We facilitate transactions and move money around the world.

Lend

We lend to customers and clients to support their needs.

Connect

We connect companies seeking funding with the financial markets.

Protect

We ensure the assets of our clients and customers are safe.

Invest and advise

We help our customers and clients invest assets to drive growth.

Our business model continued

...delivered through The Power of One Barclays...

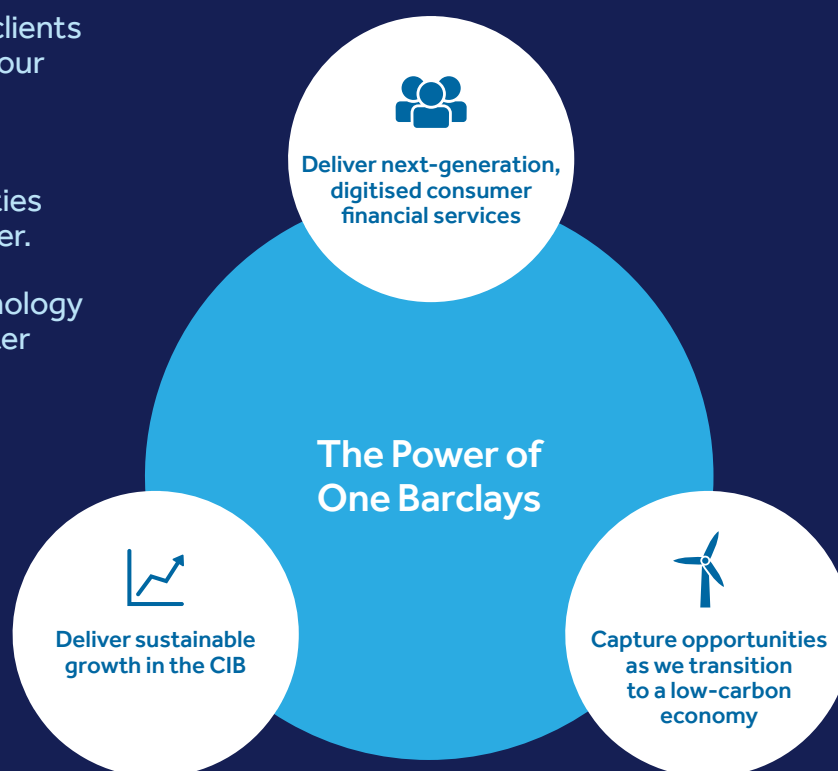
We bring our organisation closer together to create synergies and deliver more value.

Provide customers and clients with the fullest range of our products and services.

Join up different parts of the Group so capabilities in one can benefit another.

Apply Group-wide technology platforms to deliver better products and services.

Make the Group more efficient and cut costs.



... providing clear outcomes for our stakeholders.

The resilience and consistency provided by our diversified model, means we can grow together.

Customers and clients

Supporting our customers and clients to achieve their goals with our products and services.

Colleagues

Helping our colleagues across the world develop as professionals.

Society

Providing support to our communities, and access to social and environmental financing to address societal needs.

Investors

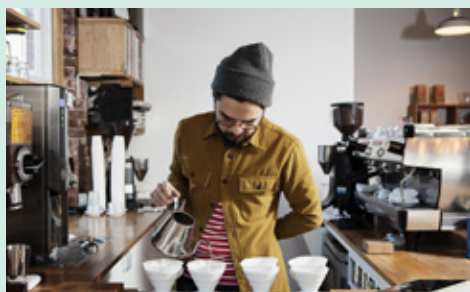
Delivering attractive and sustainable shareholder returns on a foundation of a strong balance sheet.

Engaging with our stakeholders

Barclays aims to create value for everyone we serve, balanced across the short and the long term. We think about our core stakeholders as belonging to four groups: customers and clients, colleagues, society, and investors.

Better engagement to grow together

Customers and clients



Our customers and clients are at the heart of everything we do. We are committed to their best interests and endeavour to serve them better, and engage with them regularly to help us achieve that.

What do they tell us?

We engage with customers and clients in a wide variety of ways, including running regular surveys, analysing customer complaints, and drawing on data from millions of individual transactions and personal customer interactions.

Customers told us:

- they want to engage with banking differently, reflecting the change in society, with guidance and a comprehensive product set to support their plans for the future
- customers want us to take steps to being more green
- they want continued support through the pandemic and environment of low interest rates and rising inflation.

How we responded?

We continued to play a role in supporting customers and clients impacted by the pandemic.

We continued to invest in enhancing our digital propositions and electronic trading-driven business to drive efficiency and scale.

Barclays Digital Eagles and Money Mentors helped customers use our digital platforms to build financial confidence and plans.

We facilitated £29.8bn⁴ of green financing in 2021, up 69% from £17.6bn in 2020, and continue to develop our sustainable product set.

We have completed over £1bn in Green Home Mortgages since 2018, extended our eligibility criteria this year and helped 48,000 first time buyers onto the property ladder.

We are collaborating with SaveMoneyCutCarbon (SMCC) to provide Corporate Banking clients with access to SMCC's marketplace and tools to guide them through ways to reduce their carbon, energy and water use, making their operations more sustainable

over £1bn

Green Home Mortgages completed since 2018

Colleagues



Our people are our most valuable asset. They make a critical difference to our success, and our investment in them protects and strengthens our culture.

What do they tell us?

Our long established approach of regularly engaging with colleagues, Unite, the Barclays European Forum and other colleague forums, ensures we listen and take different perspectives into account.

In 2021, we ran regular Here to Listen surveys in addition to our annual Your View survey to gain regular feedback.

- 83% of colleagues believe they are able to balance personal and work demands (2020: 78%).
- 75% of colleagues say the stress levels at work are manageable (2020: 74%) .

We launched the Barclays Mindset, capturing positive improvements in ways of working.

- 83% of colleagues tell us they believe it is the right Mindset to drive success at Barclays.
- 89% of colleagues believe their teams do a good job of role modelling the Mindset every day.

Our overall Inclusion Index score for 2021 is 79%, with 88% of colleagues saying they feel included in their team.

How do we respond to them?

In 2021, our Be Well programme continued to provide support for colleagues to look after their physical and mental health. We focused on three key areas in particular; commitment to make Barclays a 'Mental Health Confident' organisation, further development of our supportive culture and a renewed emphasis on sustainable working.

We launched a new partnership with LinkedIn Learning providing extensive digital development to all colleagues globally.

89% of colleagues completed e-learning on Developing our supportive culture.

88%

of colleagues believe their line manager supports their wellbeing

Engaging with our stakeholders continued

Society



Delivering long-term value depends on deep and thoughtful engagement with the numerous individuals and interest groups that represent wider society.

What do they tell us?

We engaged with a wide range of stakeholders, including non-governmental organisations (NGOs) and others. We participated in multiple sustainability forums and global and regional industry initiatives.

- Major themes we heard from them included:
- continued development of the global climate agenda
- transparency and harmonisation of data
- the increasing focus on biodiversity and nature
- societal impact and responsibility.

How do we respond to them?

We have published detailed climate disclosures in a separate TCFD Report. For further details on our work on climate, see our TCFD Report in our ESG Resource Hub at home.barclays/sustainability/esg-resource-hub/

We continued to encourage and support initiatives that promote further harmonisation and consistency in the reporting of ESG and sustainability topics, including the work of the International Sustainability Standards Board (ISSB) under the auspices of the IFRS Foundation.

We initiated a targeted review of clients operating in sectors and geographies exposed to forced labour risks, and engaged with clients in the agricultural commodity sector on their exposure to deforestation risks in their supply chain.

We have increased our focus on nature and biodiversity, including engaging with a number of emerging methodologies to assess nature-related risks and opportunities and signing-up to the Get Nature Positive commitment.

£100bn

Committed to facilitating £100bn green finance by 2030

Investors



Engaging with our shareholders and other market participants helps us to understand their priorities and drive better outcomes for all stakeholders.

What do they tell us?

We engaged extensively throughout the year with our institutional equity and fixed income investors, as well as our private shareholders. We also continued our collaborative and transparent dialogue with our regulators, working together to ensure we meet prudential and conduct-based regulatory standards and contributing to a safe and robust banking system.

Important topics for our stakeholders included:

- the impact of the COVID-19 pandemic on Barclays, including macroeconomic effects of higher inflation and interest rates
- opportunities arising from the subsequent reopening of global economies, and the recovery in consumer and corporate activity

- CEO succession and its impact on the Group's strategic priorities and targets in the medium term
- approach to capital allocation and increase in shareholder distributions
- advancement of Barclays' climate strategy.

How do we respond to them?

- Our CEO, C.S. Venkatakrishnan held introductory discussions with a number of our largest institutional shareholders following his appointment at the start of November.
- At the 2021 AGM, we committed to table a Say on Climate vote at the 2022 AGM.
- We established a dedicated ESG Investor Relations team to articulate our long-term strategic narrative and interact with a wider range of stakeholders.
- Investor Relations continued to refine its comprehensive engagement programme, facilitating discussions on all key topics. This resulted in being shortlisted for Best overall Investor Relations team for 2021 as voted by investors and analysts.

650+

Meetings with investors across equity, debt and ESG

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 members 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.

Considering the interests of stakeholders as we continue to evolve our strategic priorities

Section 172(1) statement

The Directors provide this statement setting out how they have had regard to the matters set out in Section 172(1)(a) – (f) of the Companies Act 2006 when performing their duty to promote the success of the Company under Section 172. Our Section 172(1) statement provides details of how the Directors have engaged with and had regard to the interests of our key stakeholders.

→ For further details of the Key Activities of the Board in 2021, refer to our Governance Report on pages 120 to 123.

How does the Board engage with stakeholders?

The relevance of each stakeholder group may differ depending on the particular decision the Board is taking, as may the method of engagement used by the Board. The Board engages directly with stakeholders on certain issues, but the number and distribution of the Group's stakeholders and the size of Barclays overall means that stakeholder engagement often takes place at an operational level. The Board also receives regular reports from individual business areas and from key Group functions through reports sent in advance of each Board meeting and through in-person or video-conference presentations. This assists the Board to understand the impact of the Group's operations on, and the interests and views of, the Group's key stakeholders.

As a result of its direct interactions and discussion of the reports and information received, 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(1). In doing so, the Board has to balance different and, sometimes, competing perspectives which means that it is not always possible to deliver everyone's desired outcome or necessarily achieve a positive outcome for all stakeholders.

You can find out more about how Barclays engages with its priority stakeholders on the previous pages.

Engagement in action: Evolving our Strategy

It is the Board's responsibility to establish the Company's strategy. Given its fundamental importance, the Directors considered matters relevant to both the Company's and the wider Group's strategy at every scheduled Board meeting in 2021. As noted in the Chairman's letter, our strategy is aligned to the themes which the Board considers will shape much of the Group's evolution – the opportunities and threats of digitisation, the continuing growth of the capital markets, and the overarching importance of our environmental and other societal responsibilities. Each of these areas has been discussed in detail by the Board with senior management. The Board strongly believes that it is important to have regard to the views of our key stakeholder groups as we evolve our strategy.

You will find below further details 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, in the context of how during 2021 the Board approved some key elements of the Group's strategic priorities to sustain and grow our business.

Section 172(1) statement continued



Deliver next-generation, digitised consumer financial services

As set out in our 2020 Annual Report, the COVID-19 pandemic together with a low interest rate environment inevitably brought challenges for our consumer-facing businesses in Barclays Bank UK PLC, and our Consumer, Cards and Payments business. It also accelerated a number of existing trends in customer and client behaviour which we have seen continue during 2021, including in the context of the number of transactions undertaken by our customers and clients which do not require a physical branch visit or in person engagement. Together with a continued significant shift towards digital adoption and demand for digital financial services to meet day-to-day needs, this has further accelerated our digital agenda and our focus on creating new business models built around digital customer and client engagement. Against this background, as set out in further detail in the Group Chief Executive's Review, one of our core priorities is to deliver next-generation, digitised consumer financial services to ensure we remain competitive and continue to meet the needs of our customers and clients, while maintaining our societal commitment to provide access to banking. Further details of this can be found on pages 11 and 62.

In overseeing the evolution of this core priority, the Board has sought to ensure, and satisfy itself, that the views of a range of stakeholders have been taken into account as well as maintaining oversight of how the strategy is implemented within Barclays, including:

- engaging with management on the evolution of our UK business, including to ensure customer interests remain at the centre of our plans
- reviewing the investment priorities of the Group to ensure that they support the further digitisation of our consumer businesses

- since his appointment as Group Chief Executive, Venkat spending time engaging closely with colleagues in Barclays Bank UK PLC, and our Consumer, Cards and Payments business, looking at how we are evolving our retail bank and building next-generation products and services
- considering a broad range of financial and non-financial measures such as the Net Promoter Score where we have seen an improvement in the US Consumer Bank scores with respect to our digital servicing model
- discussing the importance of resiliency of our technology platforms, which continues to be an area of focus for our regulators and for the Group as we further digitise our engagement with our customers and clients.

To ensure we deliver sustainable long-term returns for our investors, the Board and management have discussed throughout the year the importance of operating a service model which is responsive to evolving customer and client expectations and which enables Barclays to remain competitive. In this context, during 2021 the Board has spent time reviewing and considering customer and client insight analysis – including hearing from management the views of customers and clients at Board meetings on areas such as access to cash and to basic banking services and support and the importance of ensuring customers, particularly those that are vulnerable, can continue to readily access help. These discussions have helped the Board to ensure that as we evolve our consumer businesses and take on new partnerships in our Consumer, Cards and Payments business, our strategy puts meeting the needs of our customers and clients at the centre. This is done in a way which actively considers areas of potential conduct and execution risk as we leverage technology developments and digital engagement channels as a means of making things simpler, more transparent and more secure for our customers and clients.

Barclays has also continued to play an important role in using technology and our monitoring capabilities to help address fraud and has engaged with its wider stakeholder group, including the government, in regard to online safety and financial scams. Read more about our investments in security systems that protect against fraud and scams on page 63.

Key to successful delivery of this priority will be creating the workforce of the future. We are committed to attracting, developing and retaining a diverse and inclusive workforce embedding key skills (such as digital and technology) and capabilities needed to succeed. The Board has sought and listened to the views of colleagues, through direct engagement at Board meetings, comprehensive reporting of the results from Your View and Here to Listen surveys, attendance at leadership events and roadshows. The Board also held dedicated discussions on matters including talent and development, wellbeing and the new hybrid way of working arrangements and the ongoing impact of the COVID-19 pandemic on Barclays' colleagues (such as the additional support provided in India at the start of 2021). More detail on our work across all pillars of the diversity and inclusion agenda is set out in our Diversity & Inclusion Report.

The Board recognises that success over the long term is tied inextricably to the progress of our communities and we are committed to investing in the communities in which we live, work and serve.

The Board will continue to oversee our evolving consumer businesses as this priority is driven forwards, ensuring we maintain focus on meeting consumer demand and responding to changing behaviour while at the same time ensuring the Group becomes more efficient in its operations.

Section 172(1) statement continued



Deliver sustainable growth in the CIB

In our 2020 Annual Report, the Board set out the Group's strategic pillars which highlighted our intention to continue to strengthen our diversification by business, geography and income type to ensure that we were more resilient to economic headwinds and future trends. This formed the basis of our strategy through 2021 and, as noted on the previous pages, remains consistent for 2022.

The Board continues to believe that the diversification of the Group's business model is a core strength and has also been an essential feature of the resilience of the Group through the ongoing COVID-19 pandemic. As such, delivering sustainable growth in the CIB, within the Board-approved risk appetite, is one of the key priorities set by the Board. Further details of our strategy for the CIB can be found on page 11.

In developing the strategy for the CIB, the Board has taken into account the views of a wide range of stakeholders, considering in Board discussions matters including the contribution the business makes to the Group's returns, feedback from our shareholders on ensuring the CIB is right-sized in the context of the Group to deliver sustainable returns, and from a colleague perspective ensuring support for the growth and investment plans of the business. During 2021, our Directors met with a number of customers and clients to discuss our strategy to deliver sustainable growth in the CIB. Most notably:

- our Chairman held strategically focused meetings and events on this topic with a range of our largest global CIB customers and clients during 2021
- our Group Chief Executive was involved in key client pitches which assisted in securing new client business, including one of the largest IPOs within the Financial Institutions Group in 2021

- our Group Chief Executive participated in a significant number of direct client meetings with a strong focus on discussing the growth of our CIB businesses, with Venkat recently hosting a number of C-Suite level meetings with key Barclays India clients.

Mindful of Barclays' ambition to be a net zero bank by 2050 and as part of the evolution of Barclays' climate strategy, the Board has also overseen the development of CIB's strategy to both:

- deliver financial support to help our clients transition their businesses to the low-carbon economy
- develop green and sustainable banking products, including bonds, loans and investment funds.

You can read more about our climate strategy on pages 35 to 37.

As well as meeting with clients and customers directly, which allows the Board to hear their views, the Board also analyses a broad range of financial and non-financial measures.

During 2021, the Board received an update on the performance of Barclays International, including the CIB at every Board meeting. This covered engagement with clients and key transactions, as well as financial metrics which form an important component of the Group's results. In September and November, the Board held detailed strategy discussions on the CIB, particularly looking at significant trends impacting banking over the medium to long term and considering the implications for both Barclays and the wider industry. The Board considered the optimum geographical scope of the activities, products and scale of these important businesses and the investment required to support this, in particular from a technology and people perspective.

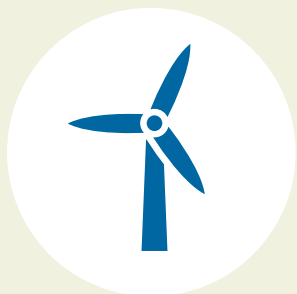
The Board has overseen the development of a robust investment plan which is reflected in the Group's Board-approved Medium Term Plan. This works to ensure that the level of investment to support the delivery of consistent and sustainable returns, including in relation to the technology investment which is key to our operational resiliency, matched Barclays' ambitions in this important area of the business. The Board has carefully monitored the governance and risk management framework for the CIB to ensure that growth opportunities are subject to appropriate controls, in line with risk appetite and sustainable. The Board also considered key conduct and customer elements of the strategy which supported effective risk management and oversight.

During the course of 2021, the Board and senior management met with investors to ratify the strategy and discuss Barclays' performance, and notably the benefits of the diversified model. The strength of the CIB through 2020 continued into 2021, enabling constructive engagement with investors on the strategic opportunities available to Barclays. Throughout the year, representatives of the Board, senior executives and Investor Relations held discussions with investors focused around:

- market positioning and market share opportunities presented through the strengthened performance of the CIB
- the expansion of our client base, and therefore the additional services and geographies to complement the current offerings
- discussions on the appropriate level of risk appetite for both investors, and for Barclays as a whole.

The feedback from these informative discussions helped to inform the strategic considerations discussed at the Board meetings in September and November.

Section 172(1) statement continued



Capture opportunities as we transition to a low-carbon economy

Barclays' climate ambition, set by the Board, is to be a net zero bank by 2050 and Barclays has committed to align all of its financing activities to the goals of the Paris Agreement.

Within this context, the Board is focused on the delivery of this ambition, while at the same time capturing new opportunities to deepen client relationships during the transition and new growth opportunities for Barclays' business. The Board is clear on the need for transition to happen in a co-ordinated and orderly way that preserves jobs, living standards, social cohesion and energy security.

Reflecting the importance of our environmental and other social responsibilities, our climate strategy sits at the heart of the Group's strategy and is reviewed regularly by the Board. Further details of this strategic priority, capturing opportunities as we transition to a low-carbon economy, can be found on page 11, and on pages 35 to 37.

In continuing the development of Barclays' climate strategy through the course of 2021, the Board has engaged with a range of stakeholders.

Barclays was an active participant at COP26 in November 2021, with the Group Chief Executive participating in an event to showcase some of the ways in which the financial sector is working to support a

nature positive future. Ahead of COP26, in October 2021, Barclays participated in the UK Government's Global Investment Summit with the Group Chief Executive addressing attendees about the scale of the investment required to address the climate challenge and the critical role that financial institutions have to play in directing that investment.

The Executive Directors engage with colleagues on a regular basis through a range of colleague engagement forums and colleagues are kept abreast of Barclays' ambitions and actions in relation to climate strategy through regular updates.

From a customer and client point of view, the Board reiterated its support for helping customers and clients execute their sustainability strategies, including de-carbonising their business models. For Barclays, support for customers and clients will include:

- advising clients as they adapt their business models to make them more sustainable
- using our investment banking and capital markets expertise to help build low-carbon energy capacity, through facilitating green finance against our target of £100bn by 2030
- continuing to develop innovative green and sustainable banking products such as Green Mortgages that help consumers and small businesses make their own individual transitions

- our Sustainable Impact Capital Initiative: investing up to £175m of our own capital in innovative companies that are developing the green technologies of tomorrow.

Progress will continue to be made in the coming months and beyond, with the recent introduction of the Barclays Climate and Sustainable Finance Council (to be chaired by the Group Chief Executive). This Council will help to identify, accelerate and promote the development of Barclays' climate and sustainable finance growth opportunities for the benefit of our customers and clients across all our businesses, products and services.

Over the course of 2021 through our Board, senior management and Investor Relations team we met over 70% of our institutional shareholders by share ownership to discuss Barclays' climate strategy and understand their views.

During the year, the Board reviewed the Group's climate strategy as a whole, including its further evolution, progress made to date and future focus areas. The feedback the Board has received from stakeholders about our policies and their expectations with respect to our climate strategy, together with evolving industry trends and public discourse on net zero, helped to inform the Board's review.

Ahead of the 2021 AGM, Barclays received a requisitioned resolution from a group of shareholders co-ordinated by Market Forces seeking to direct Barclays to adopt a climate strategy different to that which had been approved by shareholders at our 2020 AGM. As part of our ongoing engagement, the Chairman and senior management were able to discuss with shareholders the implications of this requisitioned resolution (if passed) and the reasons why the Board did not support it. The requisitioned resolution was not passed by shareholders, and the AGM itself provided a further opportunity to engage with all shareholders on our climate strategy. The Board

particularly valued the opportunity that the AGM afforded to hear from our retail shareholders. In advance of the AGM, much of our direct engagement with individual shareholders was focused on climate-related matters. Specifically, in the month immediately preceding the 2021 AGM, a large number of the questions we received from our retail shareholders related to climate matters, and we responded to them all individually. The Board also engaged with shareholders in relation to a number of climate-related questions raised by shareholders at the AGM itself.

Reflecting the level of importance which Barclays and its stakeholders place on the issue of climate and Barclays' role in supporting a transition to a low-carbon economy, the 2021 AGM saw the announcement by the Chairman of a 'Say on Climate' vote to be put to shareholders at our 2022 AGM. Further details will be set out in our 2022 Notice of AGM.

Key performance indicators

We analyse a broad range of financial and non-financial measures to support the execution of our strategy.

Growing together as the measure of success

We use a number of sources to assess the success of our strategy and provide a balanced review of our performance during the year, taking into consideration financial and non-financial metrics across all stakeholder groups.

A number of these performance measures are also linked to the way we pay our colleagues, including at executive management level. For more information, please see the Directors' Remuneration Report in Part 2 of the Annual Report.

In order to reflect our strategic priorities, we have further refined the performance metrics we use, most notably with respect to our societal stakeholders.

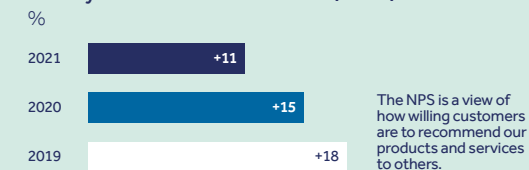
Key measures used in our 2021 assessment include the metrics reported on this page, as well as the broader discussion of our performance on the subsequent pages of this report.

Customers and clients

We aim to build trust by offering innovative products and services, with an excellent customer and client experience, such that customers and clients are happy to recommend us to others.

→ See our divisional reviews on pages 22 to 28

Barclays UK Net Promoter Score (NPS®)^a

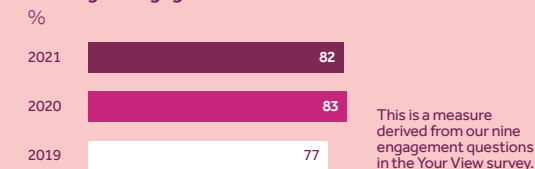


Colleagues

We promote and maintain a diverse and inclusive workforce in which colleagues of all backgrounds are treated equally and supported to achieve their potential within a positive, values-based culture.

→ See our people and culture on pages 29 to 34

Colleague engagement

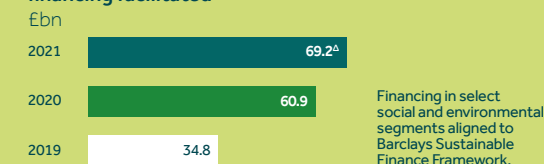


Society

We strive to manage the environmental and societal impact of our business, making decisions that provide all our stakeholders with access to a prosperous and sustainable future.

→ See our society and environment on pages 35 to 39

Social, environmental and sustainability-linked financing facilitated

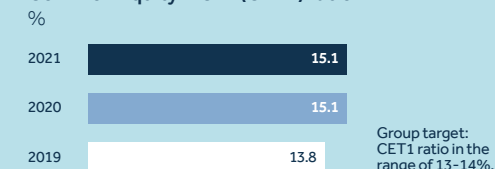


Investors

Our ambition is to generate attractive and sustainable returns through the economic cycle. We measure our progress through our Group financial targets.

→ See our summary financial review on pages 40 to 43

Common Equity Tier 1 (CET1) ratio

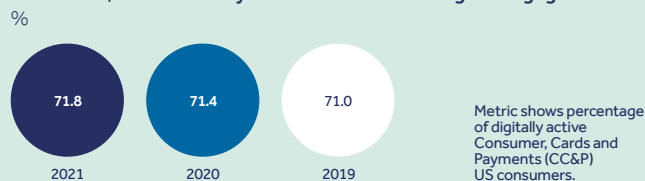


Key performance indicators continued

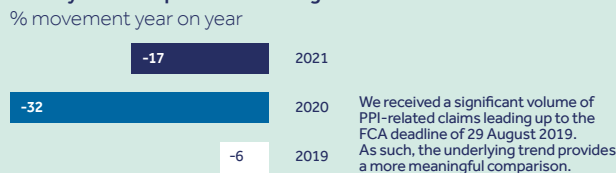
Notes

- a [®]Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
 - b Coalition Greenwich, Preliminary FY21 Competitor Analysis. Market share represents Barclays share of the Global Industry Revenue Pool. Analysis is based on Barclays internal business structure and internal revenues. Rank result is against the Coalition Index Banks. FY20 market share has been restated from last year's published value based on latest analysis.
 - c Dealogic for the period covering 1 January 2019 to 31 December 2021. FY19 market share has been restated from last year's published value based on latest analysis.
 - d Includes litigation and conduct, 2021: £177m, 2020: £153m and 2019: £1,849m, of which £1,400m relates to Payment Protection Insurance.
 - e In line with the GHG Protocol Guidelines we have re-baselined our historic emissions to 2018 and reallocated the emissions for our third-party data centres under Scope 3.
 - f 2019 and 2020 numbers reported in Barclays' corresponding ESG Reports under the programme's previous name, 'Connect with Work'.
- △ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/.

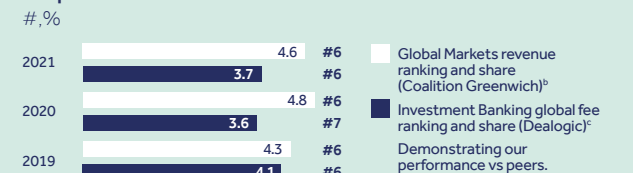
Consumer, Cards and Payments US customer digital engagement



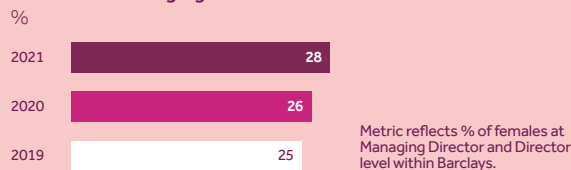
Barclays UK complaints excluding PPI



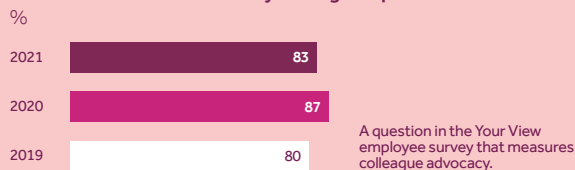
Corporate and Investment Bank revenue ranks and market shares



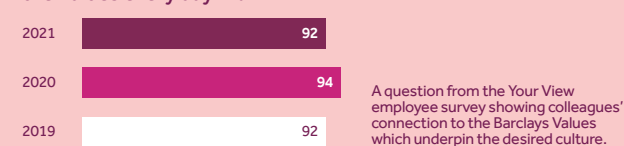
Females at Managing Director and Director level



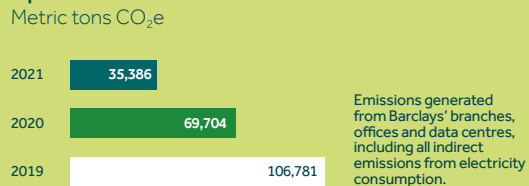
"I would recommend Barclays as a good place to work"



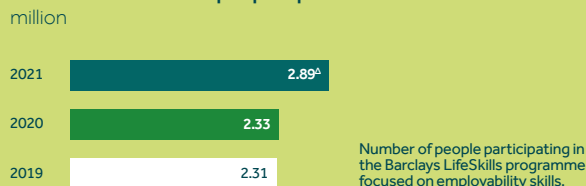
"I believe that my team and I do a good job of role modelling the Values every day"



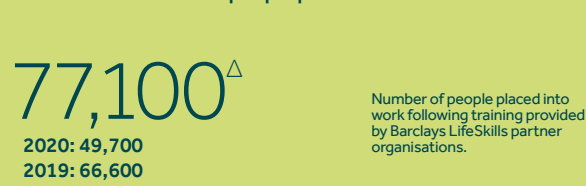
Operational GHG emissions^e



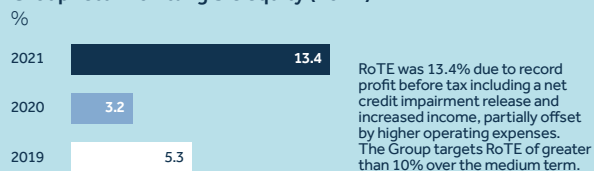
LifeSkills – Number of people upskilled



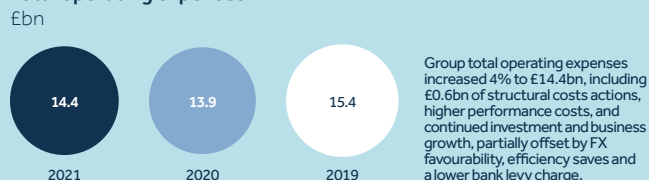
LifeSkills – Number of people placed into work^f



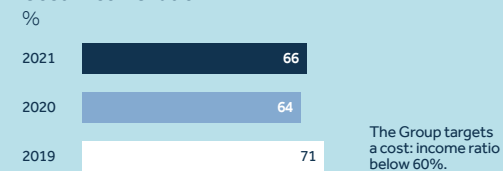
Group return on tangible equity (RoTE)



Total operating expenses^d



Cost: income ratio^d



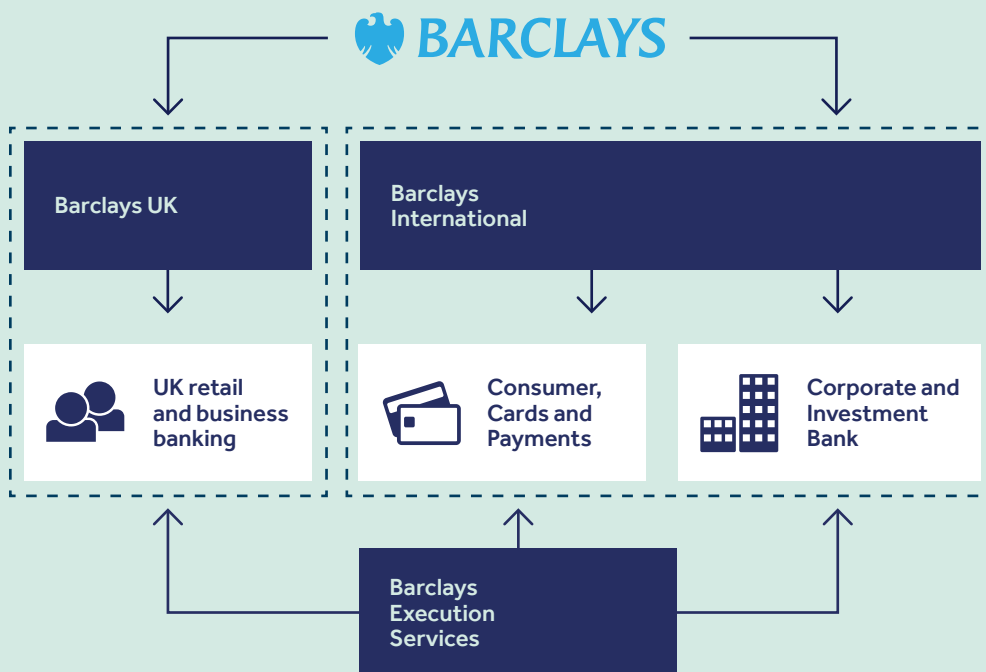
Growing with customers and clients

We are diversified by business, geography and income type. Our operations include consumer banking and payments services in the UK, US and Europe, as well as a global corporate and investment bank.

Resilience, consistency and growth

Our structure

Barclays operates as two divisions, Barclays UK and Barclays International, supported by our service company, Barclays Execution Services.



Barclays UK

Barclays UK (BUK) consists of our UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by our UK ring-fenced bank (Barclays Bank UK PLC) and certain other entities within the Group.

UK Personal Banking offers retail solutions to help customers with their day-to-day banking needs. UK Business Banking serves business clients, from high growth start-ups to small and medium enterprises (SMEs), with specialist advice for their business banking needs. Barclaycard Consumer UK is a leading credit card provider, offering flexible borrowing and payment solutions, while delivering a leading customer experience.

Barclays International

Barclays International (BI) consists of our Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within our non-ring-fenced bank (Barclays Bank PLC) and its subsidiaries, and certain other entities within the Group.

BI is focused on delivering for customers and clients around the world. It's diversified business portfolio provides balance, resilience and growth opportunities. The division has strong global market positions and continues to invest in people and technology with the aim of delivering sustainable returns. BI offers customers and clients a range of products and services spanning consumer and wholesale banking.

Barclays Execution Services

Barclays Execution Services (BX) is the Group-wide service company providing technology, operations and functional services to businesses across the Group.

Profit before tax (PBT) by business^a

£bn



BUK and BI PBT for 2020 were £0.5bn and £3.6bn respectively.

Risk weighted assets (RWAs) by business

£bn



BUK and BI RWAs for 2020 were £73.7bn and £222.3bn respectively.

Return on tangible equity (RoTE) by business^a

%



BUK and BI RoTE for 2020 were 3.2% and 7.1% respectively.

Note

^a Includes litigation and conduct, 2021: £177m, 2020: £153m, 2019: £1,859m, of which £1,400m relates to Payment Protections Insurance.

Growing with customers and clients continued

Barclays UK

Barclays UK consists of our UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses exist within our UK ring-fenced bank, Barclays Bank UK PLC, as well as certain other entities within the Group

- UK Personal Banking offers retail solutions to help customers with their day-to-day banking needs.
- UK Business Banking serves business clients, from high growth start-ups to SMEs, with specialist advice for their business banking needs.
- Barclaycard Consumer UK is a leading credit card provider, offering flexible borrowing and payment solutions, while delivering a leading customer experience.

Measuring where we are

Income

£6.5bn

2020: £6.3bn

Operating expenses

£4.4bn

2020: £4.4bn

Profit before tax

£2.5bn

2020: £0.5bn

Return on tangible equity

17.6%

2020: 3.2%

Barclays UK NPS

+11

2020: +15

Barclaycard NPS

+4

2020: +8

Market and operating environment

The COVID-19 pandemic and low interest rate environment continued to have a significant impact on Barclays UK. It accelerated a number of existing trends in customer behaviour, including a declining use of cash for transactions, lower footfall across our branch network and consumers saving more and paying down existing debt.

There continues to be a significant shift towards digital adoption and demand for digital financial services to meet day-to-day needs, including for online shopping and contactless payments. This significant shift towards digital, combined with the effect of the COVID-19 pandemic restrictions, has unfortunately attracted more criminal behaviour and there has been a consequent increase in fraud and scams in 2021. We are committed to combatting this.

While we have seen an increase in the number of customers moving to digital, there remains a cohort of customers where we continue to observe more traditional forms of engagement.

Strategic priorities

We aim to provide customers with banking services in new and innovative ways, embracing technology as a means of making things simpler, more transparent and more secure.

- Providing exceptional service and insights to customers: We aim to provide simple, relevant and prompt services and propositions for our customers so they have greater choice and access to money management capabilities. Using the quality and scale of our data insights, our ambition is to help customers better manage their finances and make informed financial decisions.
- Driving technology and digital innovation: We continue to invest in our digital capabilities, upgrading our systems, moving to cloud technology and implementing automation of manual processes. This is intended to allow delivery of a more personalised digital experience, reduce cost and create additional capacity to support more of our customers. It aims to provide capability to unlock new sources of income, drive service and improve financial inclusion.

Growing with customers and clients continued

- Continuing to grow our business: We are pursuing partnership opportunities to build and deliver better propositions and services for our customers. We aim to use the Barclays platform to provide better service to Barclays customers and open up new income streams.
- Evolving our societal purpose: We are working to support the communities we serve. We are focused on financial inclusion and recognise our role in supporting people and businesses make the transition to a low-carbon economy. We also seek to preserve access to cash for consumers and businesses over the long term.

Year in review

- We helped 48,000 first time buyers onto the property ladder, up 92% on 2020, and the highest number we have seen in recent history. We have continued to support customers with their home buying needs and have had a record performance in Mortgage completions. We have delivered 7% growth in mortgage balances this year.
- We remain focused on bringing customer complaints down, recognising we still have a long way to go. With that said, we were encouraged to see complaints were lower than in the previous year, decreasing 17% even as volumes of customer transactions and interactions grew. Unfortunately, we also saw a disappointing four point decline in the Net Promoter Score (NPS) for both Barclays UK and Barclaycard throughout 2021, resulting in a full year

- score of +11 and +4 respectively. The decline in our NPS score is attributed to changes to our service model which have impacted how we serve our customers. We recognise that we need to do more to balance our customer's service expectations whilst we execute our strategic priorities.
- We continued to build strategic partnerships, including launching a new collaboration with British Airways and Avios, allowing eligible Barclays customers to link their Barclays accounts to their British Airways Executive Club membership to earn more Avios through everyday banking.
- We launched a new payment option, known as Instalments for Amazon, allowing UK consumers to access a line of credit for their Amazon purchases following a simple and quick, one-time application process.
- We continued to make strides to enhance the Barclays app. This year, we reached 10m registrations on the Barclays app and exceeded over 3 billion logins. We introduced an in-app self-serve feature for customers in financial difficulty who

- require assistance with making repayments on their credit card. We launched our first in-app subscription product, allowing new and existing customers to subscribe to the Telegraph via the Barclays app.
- As part of our aim to deliver a leading money management experience, we delivered more tools and features to educate customers on managing their money. Through the use of our digital platforms, Barclays Digital Eagles and Money Mentors helped customers build financial confidence and plans, and save more money through our budgeting tools.
- We made progress on our digital on-boarding proposal, automating the procedure to enable our customers to open new accounts with minimal fuss. This created additional capacity for branch colleagues and made it simple and easy for the over 800,000 new-to-bank customers who visit our branches each year to complete the required on-boarding steps.
- We were one of the first major UK lender to launch a Green Home Mortgage in 2018, and to date we have completed over £1bn in Green Home Mortgages. In 2021 we expanded the eligibility criteria to include any new build properties meeting energy efficiency requirements.
- We extended the expiry date on our cards from every three years to every five years, saving virgin plastic. We have expanded our offering of environmentally friendly materials to all Barclays debit cards and Barclaycard credit cards in the UK.
- Led by our Business Bank, we joined the Banking for Impact on Climate and Agriculture (B4ICA), an inter-bank group focused on developing a means for the measurement and disclosure of the greenhouse gas emissions of banking portfolios in the agricultural sector.
- In the Business Bank, we launched a proposition to support the development and growth of the Social Business sector, comprising a combination of access to finance, skills and networks to help social entrepreneurs build their impact.


Looking ahead

Our aim remains putting customers and clients at the heart of the decisions we make, helping to ensure good customer outcomes for every customer and client. We are endeavouring to reinvent our service model for customers, creating a more efficient, more resilient and seamless service at a pace that suits our customers' expectations.

More interactions are moving to digital and virtual channels and fewer customers are using our branch network. Where traditional branches may have been the most appropriate point of engagement in the past, we will increase the range of more flexible options for our customers; while ensuring we continue to support customers who are less digitally capable. This will continue to include physical branches, complemented with flexible banking pop-ups in community spaces and the introduction of mobile banking vans. We will continue to play a leading role collaborating with the Access to Cash Group and plans are underway to help retailers supply cashback without purchases, ensuring greater accessibility of cash in local and remote areas.

We continue to build partnerships in the open market and work across Barclays to deliver additional value for our customers and businesses through our size and scale. We will continue to invest in digital platforms, remove unnecessary processes and costs and make it seamless for customers to self-serve.

We are acutely aware of increasing consumer expectations on climate and sustainability. We are committed to inspiring and supporting our customers to live and act more sustainably through our propositions. We're developing a consumer-focused Sustainability Hub, bringing together insights, resources and information about Green products and how Barclays can support them in making the transition to a more sustainable future.


 **For more information go online at home.barclays**

Barclays Eagle Labs

Barclays Eagle Labs is now a network covering 28 ecosystems across the UK. New partnerships have been developed in Manchester, Whitehaven and Kilmarnock, with a new site planned at our Glasgow campus.

This year we have supported over 600 businesses through our Funding Readiness and Global Connect programmes.

We received >340 applications for our second Black Founders Accelerator, which will support 40 ambitious founders of high growth businesses develop and scale their business.

 **For further information go online at labs.uk.barclays**

Growing with customers and clients continued

Barclays International: Corporate and Investment Bank

Within Barclays International, the Corporate and Investment Bank is comprised of the Investment Banking, Corporate Banking and Global Markets businesses, aiding money managers, financial institutions, governments, supranational organisations and corporate clients to manage their funding, financing, strategic and risk management needs.

- Our Global Markets business provides a broad range of clients with market insight, execution services, tailored risk management and financing solutions across equities, credit, rates and foreign exchange products.
- Investment Banking provides clients with strategic advice on mergers and acquisitions (M&A), corporate finance and financial risk management solutions, as well as equity and debt issuance services.
- Corporate Banking provides GBP and EUR working capital, transaction banking (including trade and payments), and lending for multinational, large and medium corporates, and for financial institutions.

Notes

^a Dealogic for the period covering 1 January 2020 to 31 December 2021.

^b Coalition Greenwich, Preliminary FY21 Competitor Analysis. Analysis is based on Barclays internal business structure and internal revenues. Rank result is against the Coalition Index Banks.

Measuring where we are

Income

£12.3bn

2020: £12.5bn

Operating expenses

£7.0bn

2020: £6.9bn

Profit before tax

£5.8bn

2020: £4.0bn

Return on tangible equity

14.9%

2020: 9.5%

Investment Banking global fee ranking

6th

(2020: 7th) Dealogic ranking^a

Global markets revenue rank

6th

Largest non-US bank (2020: 6th)
Coalition Greenwich ranking^b

Market and operating environment

The year in the global financial markets was characterised by heightened volatility early on due to COVID-19, with activity decreasing as volatility stabilised. Equity markets remained buoyant through the year, as a number of indices rallied to record highs. There were significant levels of investment banking activity, with M&A announced volume up over 65% on the prior year^a. Similarly, volumes in the initial public offering (IPO) market increased by over 85% compared with 2020^a.

Across our CIB businesses, the opportunities presented by climate change and the broader ESG agenda continued to grow, as demonstrated by the record levels of green bond issuance in the market, with over £340bn for the year^a.

Corporate lending activity declined versus 2020 given the significant amounts of borrowing undertaken at the outset of the pandemic, while Transaction Banking activity grew steadily in conjunction with improved economic conditions.

Strategic priorities

Our aim is to provide comprehensive and integrated services to clients, delivering solutions across Investment Banking, Corporate Banking and Global Markets.

- Becoming an electronic-first Global Markets business, growing in targeted areas: In Global Markets, we will prioritise simplification of our systems architecture, while seeking to close gaps in our intermediation businesses. We are focused on growing our financing capabilities to build a more diversified portfolio that better performs across the economic cycle.
- Investing in high growth sectors and maintaining high returns in Investment Banking: We are continuing to invest in high growth sectors such as Technology and Healthcare, and we aim to sustain the investment we have made in our high returning, fee-driven M&A and Equities businesses.

Growing with customers and clients continued

- Capturing opportunities as we transition to a low-carbon economy: We are focused on opportunities to deepen relationships. We aim to support clients who want to make their business models more sustainable, and, in Global Markets and Investment Banking, using our scale and capital markets expertise to mobilise capital for green and social infrastructure.
- Diversifying Corporate Banking income: We remain focused on diversifying our Corporate Bank by growing the business in Europe and the US, growing Transaction Banking and optimising the use of loan capital. We aim to continue the build out of our full service Corporate Banking digital proposition and other significant multi-year strategic investment programmes for trade, payments and wholesale lending.
- Improving integration: Across our businesses we are focused on serving clients in an integrated way. Our efforts to broaden and deepen our CIB offering across Europe will form an important part of this effort.

Year in review

- Our Global Markets business acted as a market-maker and liquidity provider to clients across the globe, playing an important role in helping them find opportunities and manage risk during a continued period of heightened market volatility. In the context of a year in which trading market conditions changed materially, we had an overall share of 4.6% (2020: 4.8%), maintaining our global revenue ranking at 6th^a. Gains in Equities were offset by a reduction in FICC revenues, which were down in comparison with a very strong 2020.
- We continued to invest in enhancing our Global Markets digital proposition, including our electronic trading capabilities and our digital self-service platform; and our financing platforms across Fixed Income and Equities.
- 2021 was a record year for our Investment Banking business on a revenue basis, with significant revenue improvement in target growth areas. This included Advisory, where revenue was up 64% on prior year and Equity Capital Markets, up 72%. We regained our

- position of 6th in overall global fee share, having slipped to 7th in 2020^b.
- We continued to invest in our Investment Banking coverage of high growth sectors, including expanding our Sustainable Impact Banking (SIB) Group. SIB advised on or raised capital for companies in over 50 transactions representing over £18bn, a five-fold increase in financing volumes from 2020 and a more than doubling in the number of strategic advisory transactions for clients whose businesses are addressing environmental or social challenge.
- Our Research team continued to deliver differentiated insights through a mix of thematic and single-name content, high touch interactions, and events. We have continued to further the ESG agenda for Barclays by strengthening our across-asset ESG team, which oversees the integration of ESG into our fundamental research. We leveraged the investments made in our data science platform by producing more than 300 reports tied to our data-science insights in 2021. We also played a critical role in driving our thought leadership, for example with the launch of the Eagle Eye newsletter and the ongoing Flip Side podcast to our clients.
- Our Corporate Banking business acted as a major provider of green and sustainable lending, and continued developing our sustainable product set, growing the number of products from 6 in 2020 to 15 in 2021, including trade, lending and deposits. We collaborated across CIB to deliver financial support to help our clients meet their crucial ESG targets.
- Our Corporate Banking business continued to play a role in supporting clients impacted by COVID-19 through the UK Government lending schemes as well as supporting businesses to accelerate growth with the introduction of the new General Export Facility (GEF) in collaboration with UK Export Finance. Since GEF was made available, Barclays has approved more than £95m of UK Export Finance backed finance accounting for over 40% of the total value of facilities to date. In the UK, Corporate Banking deposit balances grew by 7% during the year.

- We continued monetising our investments in our international footprint of our Corporate Banking business. Despite the challenging environment, we on-boarded nearly 600 new clients across nine EU countries where our Transaction Banking offering is now live.


Looking ahead

Across our Corporate and Investment Bank, we will remain focused on maintaining our client-centric approach and developing opportunities to grow our business and increase returns. We will continue to focus on growth in high-returning, capital efficient parts of our business and to sustain our focus on cost discipline and operational rigour.

In Global Markets we are focused on further developing our electronic trading-driven business, driving efficiency and scale and serving the needs of our investor base. We will continue to invest in market share growth in Securitised Products, Emerging Markets, and parts of our Rates and Foreign Exchange businesses.

Investment Banking will continue its investment in high-priority sectors, particularly in Healthcare, where we have more to do to improve fee share, and in Technology in the US and Europe. More broadly, we aim to build on our established momentum and improve revenue contribution from our equity and advisory offerings. We will continue to build our SIB offering, with a particular focus on developing our capabilities in Europe and Asia. We are also looking to broaden the range of ESG capital market product types we offer and to deliver across more client segments.

In Corporate Banking, we will continue to monetise investments in our European and US offering with an emphasis on growing our Transaction Banking business. Our focus will remain on steadily improving our credit portfolio returns by reallocating risk weighted assets to higher-returning opportunities. We will keep investing in our trade, payments and wholesale lending offering and we will look to further enhance our digital proposition.

 **For more information go online at home.barclays**

Integrated products and services increasing efficiency for Checkout.com


Checkout.com is a rapidly growing cloud-based global payments provider valued at \$40bn following its fundraising round in January 2022.

The company offers a payment services application programme interface (API) in more than 150 currencies, which is used by some of the world's largest enterprise merchants.

In December 2020, Checkout extended its working relationship with Barclays Europe to leverage our integrated Transaction Banking products and services.

This collaboration is founded on a strong attachment to — and mutual drive for — increased efficiency, transparency and reliability of payment transactions and the need for constant digital innovation.

Our work together has brought a new level of trust and appreciation, and has put clients at the heart of everything we do.

 **For further information go online at barclayscorporate.com**

Notes

- Coalition Greenwich, Preliminary FY21 Competitor Analysis. Analysis is based on Barclays internal business structure and internal revenues. Rank result is against the Coalition Index Banks.
- Dealogic for the period covering 1 January 2020 to 31 December 2021.

Growing with customers and clients continued

Barclays International: Consumer, Cards and Payments

The Consumer, Cards and Payments division of Barclays International is comprised of our International Cards and Consumer Bank, Private Bank and Unified Payments businesses.

- As part of our International Cards and Consumer Bank, in the US we have a partnership-focused business model, offering credit cards to consumers through our relationships, including with American Airlines and AARP. We also offer online retail savings products, instalment payments and personal loans. In Germany, we offer multiple consumer products, including own-branded and co-branded credit cards, online loans, electronic Point of Sale (ePOS) financing and deposits.
- Unified Payments enables businesses of all sizes to make and receive payments.
- Our Private Bank offers banking, credit and investment capabilities to meet the needs of our clients across the UK, Europe, the Middle East and Africa, and Asia.

Measuring where we are

Income

£3.3bn

2020: £3.4bn

Operating expenses

£2.4bn

2020: £2.1bn

(Loss)/profit before tax

£0.8bn

2020: £(0.4)bn

Return on tangible equity

15.0%

2020: (7.5)%

US Consumer Bank NPS

+37

2020: +35

CC&P US customer digital engagement

71.8%

2020: 71.4%

Market and operating environment

The COVID-19 pandemic and low interest rate environment continued to have a significant impact on Consumer, Cards and Payments. It accelerated a number of existing trends in customer behaviour, including consumers saving more and paying down existing debt.

As cash use declined and online transactions grew, the shift towards digital services and payments continued. In Payments, we also saw a continuing trend towards e-commerce versus in-store transactions, with an accelerating number of SMEs in particular pivoting their businesses online and accepting digital payments.

Strategic priorities

We strive to deliver next-generation consumer financial services, offering best-in-class finance, private banking and payment solutions.

- Responding to changing consumer behaviour: We continue to invest in the digitisation of our businesses, delivering new products and capabilities to reflect growing trends. This includes focusing on scaling our existing e-commerce solutions to add further value to our digitally engaged customers, small businesses and corporates.
- Building a more efficient and seamless business: We are accelerating our automation agenda to drive operational efficiency and create a more seamless digital customer experience.
- Winning new partnerships: We are focused on broadening relationships with our existing partners and pursuing new partnerships, particularly in the US. We are also building capabilities to offer new financing solutions across all our markets.

Growing with customers and clients continued

Year in review

- We established new partnerships across our businesses, notably in the US, where we signed a long-term agreement with Gap Inc., the largest specialty apparel company in the US^a, to issue both co-branded and private label credit cards. We also renewed our existing partnership agreement with JetBlue Airlines, among other partners. We maintained our position as a top 10 credit card issuer^b in the US.
- We continued to invest in our digital servicing model, reaching a digital active user rate of 71.8%. We have seen an improvement on the Net Promoter Score in the US Consumer Bank, reaching +37 vs +35 in 2020.
- Our Payments business maintained its position as one of the largest payment processors in Europe^c. We secured new client relationships, and retained others, including with Center Parcs, Musgrave and the Ministry of Defence. We also launched iPortal, our Payments servicing platform to Corporate clients, enabling the management of merchant services accounts alongside bank accounts and other Corporate services in a single location.
- In Germany, we continued to be a leading provider of consumer finance^d through our credit cards and personal loans business. We have scaled the business through collaborations with e-commerce providers, including Amazon, providing customers with financial flexibility at the Point of Sale.
- Our Private Bank continued to work towards becoming a leading investments house for Ultra High Net-Worth (UHNW) and High Net-Worth (HNW) clients and Family Offices, by offering more tailored and sustainable solutions as well as providing access to our Corporate and Investment Bank.

Looking ahead

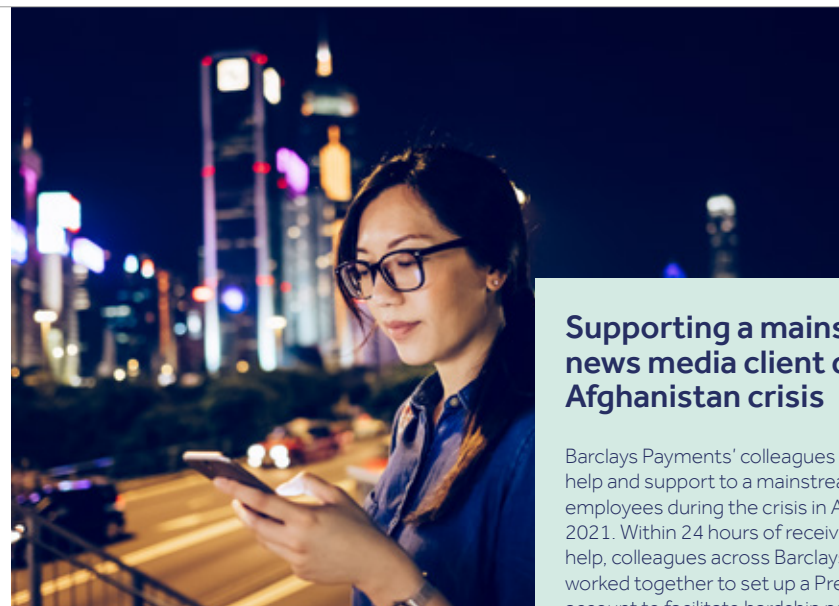
Within Consumer, Cards and Payments, we will continue to invest in building our technology and digital capabilities, meeting consumer demand and responding to changing behaviour.

We aim to drive further scale in our Payments business. Our goal is to deliver a world-class unified payments experience for customers, combining payments and banking technology, to contribute to the Barclays' growth ambition of delivering an additional £900m of income from payments activity between 2020 and 2023. In support, we will continue to drive the uptake of our e-commerce solutions.

We will continue to deepen our relationships with corporates by collaborating with the CIB; strengthening our offerings to small businesses and targeting continued growth in our European footprint.

In Germany, we will continue to grow and seek to utilise the capabilities built with Amazon to further penetrate the market, as well as pursue new commercial partnerships that further expand our co-branded cards portfolio.

As we focus on our partnership-centric business model in the US, we are extending our product set further to include private label credit cards. We will also scale our existing proposition to deliver more value to our partners across a broader range of sectors, diversifying our business. We hope the launch of our Gap Inc. partnership in the middle of 2022 will accelerate our entry into the US retail sector.



Supporting a mainstream news media client during the Afghanistan crisis

Barclays Payments' colleagues provided expert help and support to a mainstream media client's employees during the crisis in Afghanistan in 2021. Within 24 hours of receiving a request for help, colleagues across Barclays Payments worked together to set up a Precisionpay Go account to facilitate hardship payments to approximately 600 workers and their families who were in the process of evacuating from Afghanistan. We continued to monitor and respond to the fluid situation, ensuring the first batch of payment cards were in the hands of our customers by the end of the week, and Barclays Payments colleagues continued to provide much needed support beyond the initial crisis phase.



For further information on Precisionpay Go, go online at barclaycard.co.uk/business/cards/corporate-solutions/virtual-payments



For more information go online at home.barclays

The Private Bank remains focused on targeted markets, including the UK and offering on-ground coverage in Europe and Asia. We hope to enhance product capabilities and drive better client experiences by improving automation and delivering our digital agenda. Over the coming 12 to 18 months we will also integrate our Wealth and Investment Management business from Barclays UK with our Private Bank to provide a more integrated proposition (subject to regulatory approval).

Notes

- Gap Inc., 2020.
- Nilson Report #1204.
- Nilson Report #1197.
- Deutsche Bundesbank, Advanzia Bank S.A, plus own calculations.

Our people and culture

We want to recruit, retain and engage the talented people that Barclays needs to succeed, providing an environment that enables them to build their careers and achievements.

A culture of togetherness

Our colleagues are critical to our success. We know that the past two years have been challenging for a lot of our people, in different ways, impacting both our personal and professional lives. We are proud of the way colleagues responded to these challenges, and for the way they have continued to support our customers and clients around the world. We have learnt a lot about ourselves over this period, and we have invested in supporting people in a number of ways. In particular, our focus has been on culture, mindset, wellbeing and development. As ever, our approach is informed by the latest thinking in behavioural and data science, and our ability to track effectiveness and progress over time.

Measuring where we are

Colleague engagement

82%

2020: 83%

Females at Managing Director and Director level

28%

2020: 26%

"I would recommend Barclays as a good place to work"

83%

2020: 87%

"I believe that my team and I do a good job of role modelling Values every day"

92%

2020: 94%

"I believe my team and I do a good job of role modelling our Mindset every day"

September 2021:

89%

April 2021: 88%

The Barclays Mindset

At the beginning of the COVID-19 pandemic, we observed a number of improvements in the way people were working at Barclays. We reflected on how we could capture these positive developments for the long term and responded this year by launching the Barclays Mindset.

Our Mindset acts as an operating manual for how to get things done at Barclays. It focuses on three key elements that are core to our success – Empower, Challenge and Drive. Our research shows that when we demonstrate behaviours aligned to these three elements, outcomes are better, colleagues are more engaged and they are more likely to stay longer to build their career at Barclays.

We have worked hard to encourage this new way of thinking across our organisation, including in the way we hire people, manage performance and recognise success. We have established a global network of over 330 Mindset Champions, working to support its rollout and communicate with colleagues. We have also developed a Mindset Dashboard to measure impact and to help leaders identify where we need to do more to embed this way of thinking.

Initial findings suggest our Mindset resonates with colleagues, with 83% telling us they believe it is the right Mindset to drive success at Barclays, and 89% of colleagues saying they believe their teams do a good job of role modelling our Mindset every day.

Hiring great people

We are focused on hiring people with the skills and capabilities to support our strategy. At the heart of our hiring approach is a focus on strengthening our relationships with local talent pools in the areas within which we are hiring, including reaching out to local communities and upskilling local students. For example, our partnerships with universities in Glasgow have been important in developing a robust pipeline of apprentices and graduates at the global campus we officially opened there this year. Our other global campuses in Whippany and Pune leverage similar local hiring arrangements.

Our people and culture continued

The COVID-19 pandemic has required us to adapt to changes in hiring demands and volumes. This has been particularly important in customer-facing areas where we know it is critical that we are providing support to our customers. We have also taken steps to enhance our candidate assessment processes, including factoring in the new Barclays Mindset so we can ensure we're attracting and hiring candidates with the capability to Empower, Challenge and Drive.

People with different perspectives and life experiences make our organisation stronger, so we are committed to attracting, developing and retaining a workforce that is as diverse and inclusive as possible. We are an equal opportunities employer and give full and fair consideration to all populations based on their competencies, strengths and potential. You can find more information in our Diversity & Inclusion Report at home.barclays/annualreport.

We retain an emphasis on hiring from within. This year, we filled 39% of vacancies internally and added a further 851 graduates to our internal pipeline of future leaders. We also continue to invest in our flagship career development programmes, including our AFTER programme to support those who have been in the armed forces. After a period of in-depth research, we launched new global programmes this year, managing 2,039 graduates, interns and apprentices.

Our Glasgow campus

Our Glasgow campus is a 500,000 square foot site on the banks of the river Clyde. This is a brownfield area transformed into a new city centre park and is the first Barclays campus to implement a zero waste strategy.

The campus will house Technology, Operations, and Functions teams – bringing new high-value roles to the city. Barclays has grown its workforce in Glasgow by over 90% in the last four years and is on track to have around 5,000 employees on campus by 2023.

One of the top priorities while developing the site was to create a world class accessible workspace. We wanted to create a welcoming, inclusive environment for people with physical, cognitive and sensory disabilities, incorporating design for neurodiversity and including people on the autism spectrum. The project team commissioned accessible design specialists, Motionspot, and embarked upon a two-year partnership with Scottish Autism to ensure they met this crucial objective.

As the world of work transforms in the wake of the pandemic, the Glasgow campus will enable a hybrid approach to office working, striking the right balance between collaboration and flexibility.

Beyond the highly-skilled new roles being created within Barclays, the campus is rooted in the local community and economy, with a focus on using local suppliers and contractors wherever possible.

This is the latest step in Barclays' global location strategy which is focused on bringing teams closer together to drive innovation and collaboration.

Developing people for the future

At Barclays, we believe that everyone has the potential to continuously grow. We are committed to cultivating a culture of lifelong learning and our development proposition is designed to support colleagues at every stage of their career.

A wide range of development opportunities are available to help colleagues build their careers, delivered through our digital learning platform, Learning Lab.

This year we launched a new partnership with LinkedIn Learning, providing extensive digital development to all colleagues globally. We also have a number of corporate memberships with industry experts, allowing our colleagues to remain up to date with the latest developments and trends. In line with our professional qualification guidance, Barclays encourages colleagues to study for degree programmes and professional qualifications that benefit the business and support their development.

We are also committed to cultivating leadership skills among colleagues, whether they are in a leadership role or not. The Barclays Leadership Framework provides a guide to support colleagues with their own leadership development, and applies across all levels – from new line managers to our Group Executive Committee. We also continue to operate three flagship leadership development programmes: our Enterprise Leaders Summit, our Strategic Leaders Programme and Aspire.

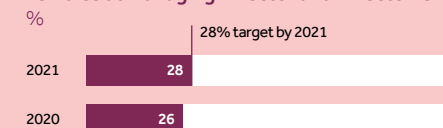
We measure the success of our development offering through our colleague surveys, Your View and Here to Listen, tracking the progression of participants from our leadership development programmes, as well as tracking our levels of retention, and internal mobility. These measures feed into our training and development approach, enabling us to focus action on the right areas for our workforce.

Notes

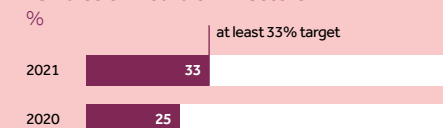
- a With the appointment of Robert Berry (effective 8 February 2022), the percentage of females on the BPLC Board of Directors decreased to 31%. You can read more about gender diversity on the Board in the report of the Board Nominations Committee on page 124 of Part 2 of the Annual Report.

Female colleagues

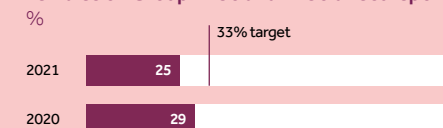
Females at Managing Director and Director level



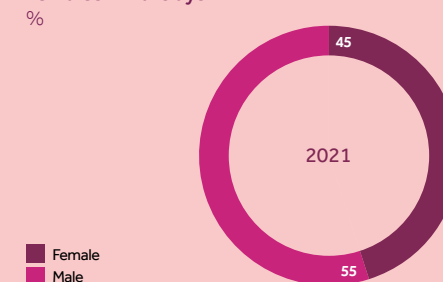
Females on Board of Directors¹⁶



Females on Group ExCo and ExCo direct reports



Females in Barclays



Our people and culture continued

Highlights

Graduate hires

851

2020: 961

Average training days per annum per employee (payroll)

2

2020: 1.7

Average training hours per annum per employee (payroll)

15

2020: 13

Voluntary employee turnover

11%

2020: 6%

Employee turnover

14%

2020: 9%

We promote a culture of continuous feedback, encouraging all colleagues to have regular performance conversations with their line manager throughout the year. This happens in addition to the annual performance review process that applies to all permanent employees. In these conversations, both 'what' has been achieved as well as 'how' it has been achieved are reviewed. This ensures our colleagues are able to keep broadening their skills, emphasising their personal development and working in a way that reflects our Values and Mindset.

We also want to help colleagues balance their work life with their personal commitments, supporting career development opportunities at each life stage. We offer enhanced maternity, paternity, adoption and shared parental entitlements in all our major jurisdictions.

NOTE:

Under the Companies Act 2006 (the 'Companies Act'), Barclays is required to report on the gender breakdown of our employees, 'senior managers', and the Board of Barclays PLC's Directors. The Group's global workforce was 88,565 (48,453 male, 40,058 female, 54 unavailable), with 434 senior managers (342 male, 92 female), and the Board of Barclays PLC had 12 directors (8 male, 4 female) as at 31 December 2021. This is on a headcount basis, including colleagues on long-term leave. Unavailable refers to colleagues who do not record their gender in our systems. The 'male' and 'female' gender splits disclosed in this paragraph are based on Companies Act disclosure requirements and numbers are taken from our employee records which are maintained pursuant to applicable rules and regulations on employee record keeping. For further information on the Group's approach to building a more inclusive company, including a broader range of gender data and characteristics please see our voluntary disclosures included in our Diversity & Inclusion report, published on our website at home.barclays/annualreport. 'Senior managers' is defined by the Companies Act, and is different to both our Senior Managers under the FCA and PRA Senior Managers regime, and our Director and Managing Director corporate grades. It includes Barclays PLC Group Executive Committee members, their direct reports and directors on the boards of undertakings of the Group, but excludes Directors on the Board of Barclays PLC. Where such persons hold multiple directorships across the Group they are only counted once. The definition of 'senior managers' within this disclosure has a narrower scope than the Managing Director and Director female representation data provided.

Building a supportive and inclusive culture

Building a supportive and inclusive culture is not only the right thing to do, but also what is best for our business. It creates a sense of belonging and enables colleagues to perform to their highest capability.

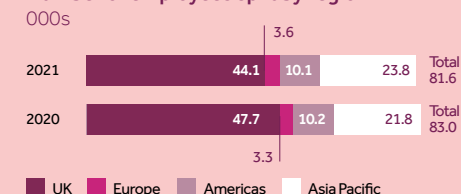
We focus on six areas of diversity and inclusion: disability, gender, LGBT+, multicultural, multigenerational and socioeconomic inclusion. We have Employee Resource Groups in place across each of these areas to provide support and advice, create development opportunities and raise awareness of issues and challenges. Membership of our Employee Resource Groups is at an all-time high, with over 25,000 colleagues now involved in one or more. Their insight and experiences help influence our people policies and inform the commitments and actions we take as an organisation to give our people the support they need to succeed.

We strive to embed a culture of inclusion through our allyship initiatives, encouraging colleagues to become allies and to focus on understanding and eliminating barriers faced by underrepresented groups. We provide a toolkit for these colleagues to help them take conscious, positive steps to make everyone feel that they belong. In our Your View survey, 79% of colleagues told us they believe we are all in this together at Barclays, while 82% say they believe leaders are committed to building a diverse workforce.

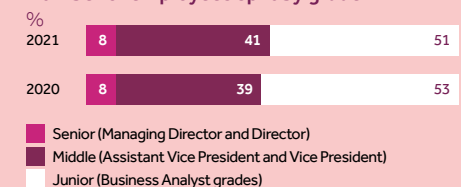
We remain committed to improving the diversity of our leaders and to closing pay gaps at Barclays. We aim for diverse promotion assessors and panels, helping us to ensure the widest available pool of talent is considered for promotion. We actively provide development opportunities for leaders of the future such as ex-officio roles and places on our development programmes. As of the end of 2021, 28% of our global Managing Directors and Directors were female, and 30% of our UK Managing Directors and Directors were female.

Employee statistics

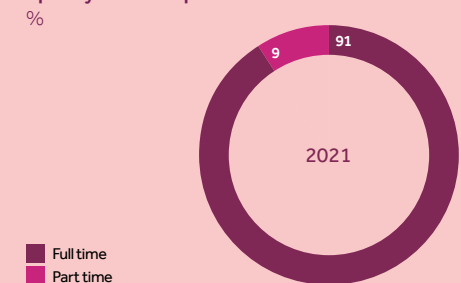
Number of employees split by region



Number of employees split by grade



Split by full time/part time



Our people and culture continued

Digital Unleashed

Digital Unleashed is Barclays flagship digital and technology speaker series, open to every colleague in the bank. It is delivered virtually and in partnership with a network of internal and external industry thought leaders, and is sponsored by our global senior leadership. The event is designed to empower colleagues to build their digital skills and to help drive a culture of innovation. In 2021, the event combined 11 live sessions, with a range of podcasts and curated online learning resources, delivering a fully rounded learning experience for colleagues. Over 2,000 colleagues attended one or more of the live events, with more watching mobile enabled replays and accessing content through our digital learning platform, Learning Lab.

We closely track the ever-changing composition of our people through online dashboards that make sure our senior leaders understand the diverse makeup and needs of the organisation they lead. Our Inclusion Index, launched in 2020, continues to allow us to measure colleagues' experience of how inclusive the Barclays culture is and gives us a benchmark for monitoring progress year on year. Our overall Inclusion Index score for 2021 is 79%, up from 76% last year. 88% of colleagues say they feel included in their team.

Through our Race at Work Action Plan, we are working to close the gaps in the UK and US where some ethnicities are significantly underrepresented at Barclays. We are focusing our efforts across four areas: increasing the number of underrepresented minority employees we hire; providing access to career and development opportunities; creating a culture of allyship across the organisation; and being transparent and measuring our outcomes, allowing us to see the impact our actions are having over time.

In the UK, we aim to increase the number of underrepresented minority employees by 25% by the end of 2025. This will take us to 5% overall. In the US, we aim to increase the number of underrepresented minority employees by 20% by the end of 2025. This will take us to 21% overall. In the UK and the US, we aim to at least double the number of Black employees at Managing Director and Director level by the end of 2022, which we are on track to meet.

This year, we continued to review the provision of Workplace Adjustments for colleagues with disabilities to further our strategy for a more globally consistent and supportive experience. We encourage managers to check in regularly with their teams and to emphasise the importance of safe working and appropriate workstation setup. As part of the UK Government Disability Confident scheme, we encourage applications from people with a disability, or a physical or mental health condition. We require managers to give full and fair consideration to those with a disability on the basis of strengths, potential and ability, both when hiring and managing. We also ensure opportunities for training, career development and promotion are available to all.

Mental health and wellbeing continues to be a major focus, with 88% of colleagues telling us their manager supports their efforts to maintain wellbeing. Through our Be Well programme, we continue to provide expert advice and guidance on the practical steps colleagues can take to look after their physical and mental health. In 2021, we focused on three key areas in particular: a continued commitment to make Barclays a 'mental health confident' organisation, further development of our supportive culture and a renewed emphasis on sustainable working.

This year, we launched a new Wellbeing Index, with a starting score of 84%, giving us a metric for measuring the wellbeing of colleagues and informing the Be Well programme. We are very pleased to see colleagues' ability to balance their personal and work demands has improved from 78% in 2020 to 83% in 2021. In time, it will mean we can better understand the impact of particular activities on colleagues wellbeing and continue to evolve the Be Well programme offering.

We continue to promote our wellbeing offerings, including the global Be Well portal, with 43% of colleagues registered. Throughout the year, we executed leader-led campaigns to offer practical guidance on looking after physical and mental health, enhancing wellbeing and resilience and a continued focus on safe working. We also focused on stress manageability through ongoing campaigns, and the promotion of Health and Wellbeing workshops. We launched Developing our supportive culture e-learning with 89% completion. We were one of the first businesses to sign up to the Mental Health at Work Commitment and we continue to deploy Mental Health Awareness as required e-learning.

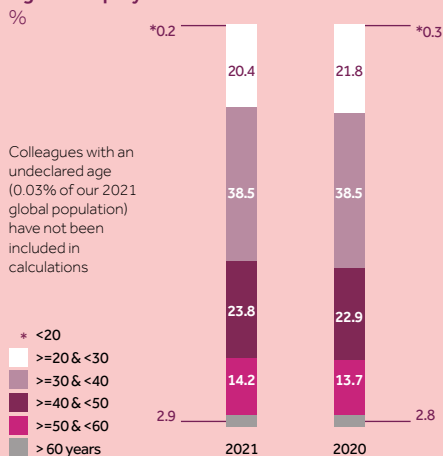


You can find more information in our Diversity and Inclusion Report available at home. [barclays/annualreport](https://www.barclays.com/annualreport)

Our people and culture continued

Multi-generational split

Age of employees



Colleagues with an undeclared age (0.03% of our 2021 global population) have not been included in calculations

* <20
 >=20 & <30
 >=30 & <40
 >=40 & <50
 >=50 & <60
 >60 years

Beyond the pandemic

We continue to follow government guidance relating to COVID-19 in all the jurisdictions we operate in, taking a prudent and considered approach to return to office that prioritises the health, safety and wellbeing of colleagues.

Where possible, and in line with local government guidance, we have undertaken a programme to gradually increase the number of colleagues returning to working in the office at least some of the time.

Throughout the pandemic, we have kept our buildings operating safely for key workers by maintaining health and safety measures. In advance of colleagues returning, we risk-assessed all our buildings and provided training to colleagues on the safety measures that would be in place as they returned. We continue to evaluate and adjust these measures in accordance with government guidance and the latest epidemiology.

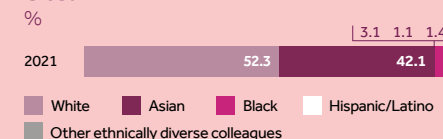
In the early stages of the pandemic, Barclays put in place a set of global principles to ensure we were doing as much as possible to support our colleagues. We have kept these principles in place and evolved them with the changing nature of the pandemic. The principles and provisions have helped colleagues cope with some of the personal challenges the pandemic has created, including offering additional paid leave to support self-quarantine, isolation, vaccination, sickness or care for dependants and advice made available to help support physical and mental health. Colleagues who have returned to on-site working did so on a voluntary basis and we have worked closely with any colleagues who have concerns about returning, to understand those concerns and support them.

We are also thinking carefully about the future of work at Barclays. We want to balance the best of the past with the best of what we have proved possible during the pandemic. We have adopted the principle that the optimal physical location for a role is largely determined by the nature and requirements of that role. At the same time, it is important to us that everyone at Barclays, no matter what their role, maintains a strong connection to their colleagues at a Barclays site.

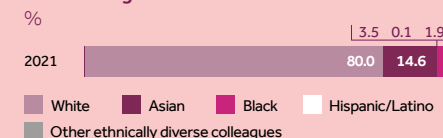
In support of our approach to future ways of working, we have revised and relaunched our principles, process and guidance on Working Flexibly. At Barclays, we encourage colleagues to work flexibly to balance and integrate their work and other life commitments, enhance their wellbeing and effectiveness at work and feel included, irrespective of personal circumstances. We have expanded the opportunity for many colleagues to work in a hybrid pattern, spending part of their time working from a Barclays site and part of their time working from home. Over the course of the year, colleagues have begun to transition to this new, hybrid way of working. We are taking a test and learn approach, and ways of working will continue to iterate into 2022 as we focus on balancing the benefits of working on site with more flexible solutions.

Ethnicity Representation

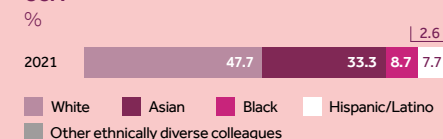
Global



United Kingdom



USA



Other ethnically diverse colleagues category includes Mixed, Native Hawaiian or Other Pacific Islander and Native American. USA relates to Country. UK relates to Region. Colleagues with an undeclared ethnicity and/or are based in continental Europe and the Middle East (21% of our global population) have been excluded from all calculations

Our people and culture continued

Listening to colleagues and keeping them informed

We think colleague engagement should be a two-way exercise, with equal weight placed on listening to our people and on keeping them informed. We want to be able to consider our colleagues' perspective when we make decisions, including at the most senior level.

Our Your View survey is the primary mechanism for how we track engagement and monitor our culture. In addition, this year we continued to run regular Here to Listen surveys, first launched in 2020, to make sure we're staying abreast of colleague feedback during the COVID-19 pandemic. Results from these regular surveys are shared directly with leadership, so action can be taken to continue to provide the appropriate support for colleagues.

The results from our surveys are also an important part of the conversations our Board and Executive Committee have about our culture and how we run Barclays. These survey results help our Board and Executive Committee take into account our colleagues' views in their decision-making. We update the Board and its relevant sub-committees throughout the year and in addition, our leaders engage regularly with colleagues to hear what they think, visiting branches, trading floors and offices as well as hosting virtual forums. Direct engagement, a comprehensive reporting approach and dedicated time at Board meetings, enables the Board to determine that our workforce engagement approach is effective. We make sure we are keeping everyone up to date on the strategy, performance and progress of the organisation, through a combination of leader-led engagement, digital and print communication, blogs, vlogs and podcasts.

Our people are also encouraged to seek the views of colleagues with different perspectives and experiences via a series of monthly events and podcasts called Courageous Conversations that provides a platform for meaningful conversations on diversity, equity and inclusion topics.

We engage with our people collectively through a strong and effective partnership with Unite, as well as the Barclays Group European Forum, representing colleagues within the European Union, and other colleague forums. We regularly brief our union partners on the strategy and progress of the business, seeking their input on ways in which we can improve the colleague experience of working for Barclays. The collective bargaining coverage of Unite in the UK represents 84% of our UK workforce and 48% of our global workforce. We consult in detail with colleague representatives on major change programmes affecting our people. We do this to help us minimise compulsory job losses, including through voluntary redundancy and redeployment, with a focus on reskilling.

We maintain an engagement approach that is in line with the UK's Financial Reporting Council (FRC) governance recommendations. This extends to those who work for us indirectly as well, such as contractors. As of 2021, the Barclays Third Party Supplier Code of Conduct states that all third parties with greater than 250 employees must demonstrate through annual reporting that effective workforce engagement mechanisms are in place to provide channels for the workforce to share ideas and concerns with senior management and the board.

Our policies

Our people policies are designed to recruit the best people, provide equal opportunities and create an inclusive culture, in line with our Values and in support of our long-term success. They also reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and International Labour Organisation (ILO) Declaration on the Fundamental Principles and Rights at Work.

We expect our people to treat each other with dignity and respect, and do not tolerate discrimination, bullying, harassment or victimisation on any grounds.

We are committed to paying our people fairly and appropriately relative to their role, skills, experience and performance – in a way that balances the needs of all our stakeholders. That means our remuneration policies reward sustainable performance that is in line with our Purpose and Values, as well as our risk expectations.

You can find more information in our Fair Pay Report at home. [barclays/annualreport](https://www.barclays.com/annualreport)

We encourage our people to benefit from Barclays' performance by enrolling in our share ownership plans, further strengthening their commitment to the organisation.



You can find out more information in the Directors' Remuneration Report in Part 2 of this Report.



Growing with society

Our success is judged not only by commercial performance, but also by our contribution to society and how we act responsibly for the common good and the long term.

Together, sustainably

We believe that we can, and should, make a positive difference for society, globally and locally. We do that through the choices we make about how we run our business, and through the commitments we make to support our communities.

We prize sustainability, and recognise our role to play in leaving things better than we found them. We cannot be successful in the long term without recognising that we are at our best when our clients, customers, communities, and colleagues all progress.

Notes

Δ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/

- Further details on green financing can be found on page 69.
- \$3-5 trillion as estimated in the GFMA/BCG (Global Financial Markets Association/Boston Consulting Group) Climate Finance Markets and the Real Economy report, December 2020.
- See our ESG report for further details on how we are defining our approach to net zero operations.

Measuring where we are

Social, environmental and sustainability-linked financing facilitated

£69.2bn^Δ

2020: £60.9bn

Green financing^a facilitated

£29.8bn^Δ

2020: £17.6bn

Scope 1 and 2 emissions reductions

(against a 2018 baseline)

-86%^Δ

Against a target of -80% by the end of 2021

2020: -73%

Progress against Barclays' commitment to RE100

94%^Δ

Against a target of 90% by the end of 2021 and 100% by the end of 2030

2020: 79%

Addressing climate change

Addressing climate change is an urgent and complex challenge. It requires a fundamental transformation of the global economy, so that society stops adding to the total amount of Greenhouse Gases (GHG) in the atmosphere.

The financial sector has a critical role to play in supporting the economy to reach this goal. It is estimated that at least \$3-5 trillion^b of additional investment will be needed each year, for the next 30 years, in order to finance the transition.

At Barclays, we are determined to play our part.

In March 2020, we announced our ambition to be a net zero bank by 2050, becoming one of the first banks to do so.

We have a strategy to turn that ambition into action:

1. Achieving net zero operations

Barclays is working to achieve net zero operations^c and supply chain emissions, investing in the continued decarbonisation of our operations and in the development of a net zero pathway for the emissions from our supply chain.

2. Reducing our financed emissions

Barclays is committed to aligning its financing activities with the goals and timelines of the Paris Agreement.

3. Financing the transition

Barclays is providing the green and sustainable finance required to transform the economies we serve.

Our strategy is underpinned by the way we assess and manage our exposure to climate-related risk. From 2022, climate risk will be a Principal Risk under Barclays' Enterprise Risk Management Framework.

Growing with society continued



ESG disclosures

Our approach to environmental and social issues is becoming increasingly integrated in the work we do across our business and is subject to the governance and oversight of our management and Board structures. Reflecting this trend, we have taken the decision to integrate our ESG reporting into this year's Annual Report.

The ESG report section sets out more information on our approach to ESG, including how we think about, and measure, our environmental and social impact. Our approach is informed by our engagement with our stakeholders, including with customers and clients, colleagues, investors, regulators and wider society.



You can read more about our approach to environmental, social and governance issues in the ESG report section on pages 51 to 104 of this report.

Achieving net zero operations

As part of our ambition to be a net zero bank by 2050, Barclays is working to achieve net zero operations and supply chain emissions. Barclays continues to remain carbon neutral^a for its Scope 1, Scope 2 and Scope 3 business travel^b emissions. We intend to remain carbon neutral, while investing in the continued decarbonisation of our operations and in the development of a net zero pathway for the emissions from our supply chain.

We are defining net zero operations as the state in which we will achieve a GHG reduction of our Scope 1^c and Scope 2^d emissions of at least 90% against a 2018 baseline and use carbon removals to neutralise any limited operational emissions that we cannot yet eliminate.

More information on our approach, including our progress on the global renewable energy initiative, RE100 is set out in the ESG section of this report.

Reducing our financed emissions

Most of our emissions result from the activities of the clients that we finance and those generated in their respective value chains. These are so-called 'financed emissions' and fall within the general definition of Scope 3 emissions.

In November 2020, we published details of our strategy for measuring and managing alignment of our financing with the goals and timelines of the Paris Agreement. Our approach is underpinned by BlueTrackTM, a methodology we have developed for measuring our financed emissions and tracking them at a portfolio level against the goals of the Paris Agreement. BlueTrackTM builds on and extends existing industry approaches to cover not only lending but also capital markets financing. This better reflects the breadth of our support for clients through our investment bank.

We are setting targets, informed by Paris-aligned benchmark scenarios, to reduce our financed emissions. We also have clear restrictions on financing certain energy sector activities, including relating to thermal coal, oil sands, hydraulic fracturing (commonly known as 'fracking') and projects in the Arctic Circle.

We have used BlueTrackTM to assess the financed emissions of our client portfolios in the Energy and Power sectors, prioritising these two sectors because they are responsible for up to three-quarters of all Greenhouse Gas (GHG) emissions globally and because Barclays has meaningful exposure to them. Therefore, they represented the most appropriate starting place from which to make a significant difference. In November 2020, we set a target for a 30% reduction in the CO₂ intensity of our Power portfolio by 2025, as well as a target for a 15% CO₂ reduction in absolute emissions of our Energy portfolio by 2025. Progress against both these targets is set out in the ESG report section of this report on pages 51 to 140.

Say on Climate

In line with our commitment to offer shareholders a 'Say on Climate', we will be publishing an update on our climate strategy, targets and methodology in advance of the 2022 Annual General Meeting. This will include 2030 targets for two new sectors, Cement and Metals (Steel).

Notes

- We are defining carbon neutral as first reducing carbon dioxide emissions then counterbalancing carbon dioxide emissions from Scope 1, Scope 2 and Scope 3 business travel with carbon offsets.
- See our ESG section on pages 54 to 56 for further detail on how we are defining our approach to net zero operations.
- Scope 1 emissions include our direct GHG emissions from natural gas, fuel oil, company cars and HFC refrigerants.
- Scope 2 emissions include our indirect GHG emissions from purchased electricity and purchased steam and chilled water.
- Further information and a detailed methodology white paper are available online, see home.barclays/sustainability/our-position-on-climate-change/

Growing with society continued

We believe that Barclays can make the greatest difference by supporting the transition to a low-carbon economy, rather than by simply phasing out support for some of the clients who are most engaged in it. We believe that banks, especially those like Barclays with a large capital markets business, are in a unique position to help accelerate the transition towards a low-carbon economy, as many of our clients have already begun to do so.

Financing the transition

The transition to a low-carbon economy is today's defining opportunity for innovation and growth. There is a significant opportunity for Barclays to play a leading role in helping to meet the demand for climate change related financing to support the transition.

We are directing investment, including our own capital, into new green technologies and infrastructure projects that will build up low-carbon capacity and capability.

Barclays continued to make significant progress in 2021 against our target to facilitate £150bn of social, environmental and sustainability-linked financing from 2018 to 2025. On a cumulative basis, by year-end 2021, we have facilitated £193.3bn^a since 2018, exceeding our target four years early.

We also aim to facilitate £100bn of financing specifically focused on green activities by 2030. We facilitated £29.8bn^a of green financing^a in 2021, up 70% from £17.6bn in 2020 and comprised of:

- labelled, 'use of proceeds' and business mix financing in environmental categories (£22.6bn^a in 2021), and
- sustainability-linked financing that incorporates environmental performance targets (£7.2bn^a in 2021).

Since 2018, we have facilitated a total of £62.2bn^a across these categories with significant momentum across our businesses, products and geographies.

Our Sustainable Impact Capital Programme, led by the Barclays Principal Investments team in Treasury, has a mandate to invest up to £175m of equity capital in sustainability-focused start-ups by 2025, helping to accelerate our clients' transition towards a low-carbon economy.

The Programme has made meaningful progress towards its five-year trajectory to meet our target by building a portfolio of strategic investments which have a focus on reducing carbon footprints and accelerating the net zero transition. £54m of the £175m overall target has been deployed since 2020, with £30m invested in 2021, up 25% from 2020.



More detail on our progress against these targets and our range of green and sustainable product solutions can be found in the ESG report section section between pages 51 to 104.

Managing climate-related risks

We broadly categorise climate risks into three types: transition risk, physical risk and connected risk. Within these broad categories, we identify a number of factors arising from climate change that we monitor over the short, medium and long term. We manage these risks through our Enterprise Risk Management Framework (ERMF), setting our strategic approach for risk management by defining standards, objectives and responsibilities for all areas of Barclays. The ERMF is complemented by a number of other frameworks, policies and standards, all of which are aligned to individual Principal Risks.

In 2020, the Board Risk Committee made the decision that climate risk would become a Principal Risk within the ERMF from 2022.

➔ For more information, please see the Risk Management section of this report on pages 200 to 294.

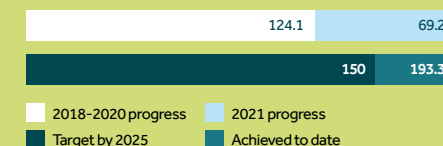
Our Climate Change Statement sets out our approach to managing the impact of our climate-related activities. We have developed internal standards to reflect these positions in more detail, including for Forestry & Agricultural Commodities and for World Heritage and Ramsar Wetlands. These standards sit under the management of Reputation Risk in the ERMF.

These standards determine our approach to climate change and relevant sensitive sectors and are enforced through an existing transaction origination, review and approval process.

Sustainable finance – performance against targets

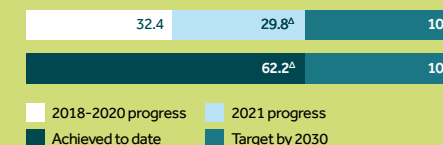
£150bn social, environmental and sustainability-linked financing facilitated (2018-2025)

£bn



£100bn green financing facilitated (2018-2030)

£bn



Notes

^Δ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/

a. Further details on our green financing can be found on page 69.

Growing with society continued

Supporting our communities

Enhancing accessibility and safety for our customers

We want as many people as possible to benefit from access to financial services. We continue to see growing demand from many of our customers for more digital ways to bank. Our investment in technology means millions more customers, who have access to digital tools are able to use our online and mobile banking channels to take advantage of accessible features.

We aim to ensure that our digital services are easy to see, hear, understand and use for all customers, including those with disabilities. AbilityNet (a leading UK disability charity) has independently accredited for accessibility the key journeys of our online banking website and mobile app during 2021.

We are working to ensure that customers who rely on cash – including older and more vulnerable customers can still access it and get the support they need. Access to a transactional bank account enables consumers to benefit from bill reductions paid by direct debit and access to cheaper goods and services online. There were more than 642,000 Barclays Basic Current Accounts open at the end of 2021, serving the financial needs of those who would not otherwise qualify for an account. We also provide free banking to over 115,000 small, not-for-profit organisations through our Community Accounts.

Supporting our suppliers

Our engagement with suppliers is important and we engage with them regularly to ensure adherence to the Barclays' Third-Party Code of Conduct and Supply Control obligations. As part of the bank's ESG strategy, we are focused on environmental and social responsibility in our supply chain, initially across three pillars of Diversity and Inclusion, climate change and modern slavery.



More information on accessible retail products and services as well as our supply chain programmes can be found in the ESG report section between pages 51 to 104.

Tech Impact, Delaware and Nevada, Americas

Barclays made a target to support 250,000 people to get into work by the end of 2022. As we feel the full force of the social and economic crisis caused by the COVID-19 pandemic, it is more important than ever to partner with businesses and charities to break down barriers to work and support access to jobs.

Across Delaware and Nevada, Barclays has partnered with Tech Impact to support two employability programmes: ITWorks, focused on technology training and CXWorks, offering intensive customer service training.

These programmes are creating pathways into work for ethnically diverse and underserved people, equipping them with the knowledge, skills and confidence they need to start their careers in the technology and customer experience industries.



In October 2021, Barclays' donation enabled Tech Impact to establish a permanent location for ITWorks in Wilmington, Delaware, where students receive mentoring, certifications and internship placements. The new 'Tech Impact Opportunity Center' aims to continue the programme's success rate, with more than 80% of graduates securing an IT job within six months of completing the programme and achieving an average salary of \$40,000, often a 100% increase over pre-programme salaries.

Programmes that make a difference

Barclays' £100m COVID-19 Community Aid Package has been delivering vital relief to vulnerable communities throughout the COVID-19 pandemic. We have supported more than 370 charity partners around the world who are getting support to where it's needed most. Since April 2020, we've matched £8.1m raised and donated by colleagues for COVID-19 relief efforts – which has meant a total of more than £16.2m for 2,000 charities around the world.

Through our LifeSkills programme, Barclays has a target to help a further 10m^a people to develop the skills and confidence they need to succeed, as well as place 250,000^b people into work by the end of 2022. Against this target, the programme has upskilled 9.8m people and placed 193,400 into work. Since LifeSkills first began in 2013, it has reached 15.3m^a people.

Through the Unreasonable Impact programme, Barclays aims to support 250 entrepreneurs by 2022, whose ventures have the potential to create jobs of the future while solving the world's most pressing challenges. In 2021, Barclays and Unreasonable celebrated five years of partnership, with Unreasonable Impact now reaching 216^c companies who collectively support thousands of jobs across the world.

Notes

^Δ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/

- Over a five-year period, 2018-2022.
- Over a four-year period, 2019-2022.
- Cumulative ventures supported since 2016.

Supporting our communities

LifeSkills – Overall participation since launch in 2013

15.3m^Δ

2020: 12.4m

LifeSkills – No. of people upskilled

2.89m^Δ

2020: 2.33m

LifeSkills – No. of people placed into work

77,100^Δ

2020: 49,700

Businesses engaged to help provide job placements for the people placed into work

9,681

2020: 1,193

Unreasonable Impact – ventures supported since 2016

216


2020: 163

Growing with society continued

Charitable giving and investment in our communities

Alongside these high-impact programmes, we also help our employees to make a difference to the causes that matter most to them personally through our matching programmes. In 2021, we supported more than 5,900 colleagues around the world to fundraise and give to their chosen charities, including those delivering COVID-19 relief, with a total of £10.1m raised, with Barclays matching. We also supported over 12,900 colleagues to donate via our UK Payroll Giving programme, which saw us match more than £950,000 in 2021.

We also support communities directly by investing money and skills in partnerships with respected non-governmental organisations, charities and social enterprises. Our investment amounted to £43.8m in 2021, including charitable giving, management costs and monetised work hours of Barclays colleagues.

 For more information on our role in communities, please see the ESG section between pages 51 to 104.

Age UK

This year, as the impact of the pandemic continued to be felt in our communities, Barclays delivered support to charities through its £100m COVID-19 Community Aid Package. Across the UK, Barclays' 100x100 Programme has helped 250 grassroots charities to get support into the heart of local communities, and reach people that most need it.

Age UK saw a near doubling of calls to its National Advice Line at the start of the pandemic, as older people turned to the charity for support. Older people needed help understanding the fast-moving position of coronavirus rules and vaccinations, and how to safely access health and social care, as well as food and prescriptions. Demand for Age UK's Telephone Friendship service increased by almost 300% as older people turned to the charity to overcome feelings of loneliness.

Support from Barclays has helped Age UK meet soaring demand for its services and to find new ways to support people where meeting in-person was no longer an option.

Barclays partnership with Age UK has enabled the charity to answer thousands of calls to its National Advice Line and increase the number of friendship calls through its Telephone Friendship service, offering companionship and emotional support, which more than 100 Barclays colleagues are helping them to make.

Our partnership also provided vital funds to local Age UKs, enabling them to respond to the specific needs of local communities in response to the crisis. Funding has also enabled Age UK to launch its online Coronavirus Hub, which quickly became an essential source of information for millions of people.

Summary financial review

We continue to develop a strong, diversified business that delivers attractive and sustainable returns.

Built to deliver double-digit returns

Barclays demonstrated a clear and sustainable path to growth over the course of 2021, delivering double-digit RoTE across our operating businesses. We will continue to develop the diversified business model that we have established, investing in advanced technology capabilities in our consumer businesses, delivering sustainable growth across our global corporate and investment bank, and reinforcing our role in aiding the transition to a low-carbon economy.

Measuring where we are

Income

£21.9bn

2020: £21.8bn

Cost: income ratio

66%

2020: 64%

Profit before tax

£8.4bn

2020: £3.1bn

Return on Tangible Equity

13.4%

2020: 3.2%

Financial performance in 2021

Barclays' diversified business model delivered a record profit before tax of £8.4bn (2020: £3.1bn), attributable profit of £6.4bn (2020: £1.5bn), a RoTE of 13.4% (2020: 3.2%) and EPS of 37.5p (2020: 8.8p), resulting in a meaningful increase in capital distributions to shareholders equivalent to 15p per share.

Total income increased 1% to £21.9bn versus prior year due to the following:

Barclays UK income of £6.5bn, increased 3% versus prior year reflecting robust mortgage lending, balance growth in deposits and the non-recurrence of COVID-19 customer support actions, partially offset by lower interest earning lending (IEL) balances. However, IEL balances began to stabilise throughout the second half of 2021.

Within Barclays International, CIB income of £12.3bn was down 1% versus prior year, as strong performance in Equities, representing the best full year on a comparable basis^a was more than offset by FICC, resulting in Global Markets income being down 16% to £6.4bn, partially offset by strong Investment Banking fees, increasing by 34% to £3.7bn, representing the best full year on a comparable basis^a. CC&P income of £3.3bn was down 3%, reflecting lower average cards balances while balances increased during the second half of 2021.

Note

^a Period covering 2014–2021. Pre 2014 financials were not restated following re-segmentation in 2016.

Summary financial review continued

Credit impairment net release of £0.7bn (2020: £4.8bn charge). The net release included a reversal of £1.3bn in non-default charges, primarily reflecting the improved macroeconomic outlook. Excluding this reversal, the charge was £0.7bn, reflecting reduced unsecured lending balances and low delinquency. Economic uncertainty adjustments have been maintained firstly in respect of customers and clients who may be more vulnerable to the withdrawal of support schemes and emerging economic uncertainty, and secondly, model uncertainty which does not capture certain macroeconomic and risk parameter uncertainties. The reduction in unsecured lending balances and growth in secured balances have contributed to a decrease in the Group's loan coverage ratio to 1.6% (December 2020: 2.4%). Coverage ratios in unsecured loan portfolios remained elevated compared to pre-COVID-19 pandemic levels.

Group total operating expenses increased 4% to £14.4bn due to structural cost actions of £0.6bn, higher performance costs and continued investment and business growth. This was partially offset by FX favourability, efficiency savings and a lower UK bank levy charge. This resulted in a cost: income ratio of 66% (2020: 64%).

Excluding structural cost actions and performance costs, Group total operating expenses were flat at £12.0bn, as efficiency savings were reinvested to drive income growth.

Our CET1 capital ratio was stable at 15.1% (2020: 15.1%) and TNAV per share increased 9% to 292p.

Barclays announced a total payout equivalent to 15p per share, comprising a total dividend of 6.0p per share and total share buy-backs announced in relation to 2021 of £1.5bn.

Financial metrics

CET1 ratio

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 the Group's CET1 capital as a percentage of its RWAs. RWAs are a measure of the Group's assets adjusted for their associated risks.

Group RoTE

RoTE measures our ability to generate acceptable returns for shareholders. It is calculated as profit after tax attributable to ordinary shareholders 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 to align management's interests with those of its shareholders. RoTE lies at the heart of the Group's capital allocation and performance management process.

Total operating expenses

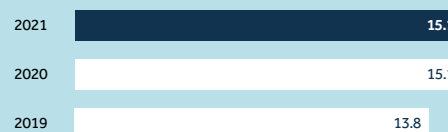
Barclays views total operating expenses as a key strategic area for banks; those which actively manage costs and control them effectively will gain a strong competitive advantage.

Cost: income ratio

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

CET1 ratio

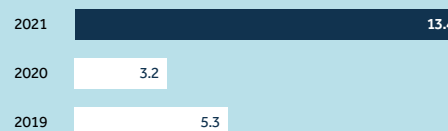
%



The Group targets a CET1 ratio in the range of 13-14%.

Group RoTE

%



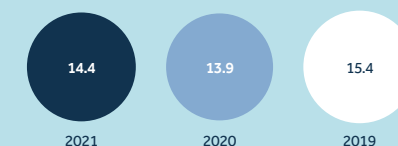
Barclays continues to target RoTE of greater than 10% over the medium term.

Note

^a Includes litigation and conduct, 2021: £177m, 2020: £153m and 2019: £1,849m, of which £1,400m relates to Payment Protection Insurance.

Total operating expenses^a

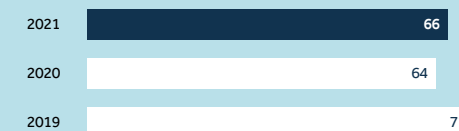
£bn



The Group will continue to drive efficiencies while investing in its franchise where appropriate.

Cost: income ratio^a

%



Cost discipline remains a priority and we continue to target a cost: income ratio below 60%.

Summary financial review continued

Our performance in 2021

CET1 ratio

The CET1 ratio was stable at 15.1% (2020: 15.1%).

CET1 capital increased by £1.2bn to £47.5bn as profit before tax of £8.4bn was partially offset by share buy-backs, 2021 dividends and equity coupons paid and foreseen, as well as pensions deficit contribution payments.

RWAs increased £7.9bn to £314.1bn primarily resulting from the recalibration of the modelled market risk stress period, increased client and trading activity within CIB and growth in mortgages within Barclays UK, partially offset by lower unsecured balances.

Group RoTE

RoTE was 13.4% (2020: 3.2%) due to record profit before tax including a net credit impairment release and increased income, partially offset by higher operating expenses.

The Group continues to target RoTE of greater than 10% over the medium term.

RoTE based on a CET1 ratio of 13.5%, excluding litigation and conduct, structural cost actions and the re-measurement of UK DTAs was 15.3% (2020: 4.4%)^a. Pro-forma RoTE adjusts tangible equity to be consistent with a CET1 ratio of 13.5%, which is the mid-point of the target range of 13-14%.

Total operating expenses

Total operating expenses increased 4% to £14.4bn, due to structural cost actions of £0.6bn, higher performance costs, and continued investment and business growth. This was partially offset by FX favourability, efficiency savings and a lower UK bank levy charge. This resulted in a cost: income ratio of 66% (2020: 64%).

Excluding structural cost actions and performance costs, Group total operating expenses were flat at £12.0bn, as efficiency savings were reinvested to drive income growth.

The Group will continue to drive efficiency savings across its businesses.

Cost: income ratio

The Group cost: income ratio was 66% (2020: 64%), as increased income was offset by higher operating expenses, including £0.6bn of structural cost actions.

Excluding structural cost actions of £0.6bn (2020: £0.4bn), operating expenses would have been £13.8bn (2020: £13.5bn), resulting in a cost: income ratio of 63% (2020: 62%).

Cost discipline remains a priority and management continues to target a cost: income ratio below 60%.

→ For further detailed analysis of our financial performance in 2021, please see our full Financial review and our Financial statements on pages 295 to 312, and pages 313 to 426 respectively of Part 2 of the Annual Report

🌐 For more information on our global tax contribution as well as our approach to tax, please see our Country Snapshot report available at home.barclays/annualreport

Note

^a 2020 based on a 13.0% CET1 ratio, excluding litigation and conduct, structural cost actions and COVID-19 community aid package. Refer to the Non-IFRS performance measures section for further information and calculations.

Summary financial review continued

Consolidated summary income statement

	2021 £m	2020 £m
For the year ended 31 December		
Net interest income	8,073	8,122
Net fee, commission and other income	13,867	13,644
Total income	21,940	21,766
Credit impairment releases/(charges)	653	(4,838)
Net operating income	22,593	16,928
Operating costs	(14,092)	(13,434)
UK bank levy	(170)	(299)
Litigation and conduct	(177)	(153)
Total operating expenses	(14,439)	(13,886)
Other net income	260	23
Profit before tax	8,414	3,065
Tax charge	(1,188)	(604)
Profit after tax	7,226	2,461
Non-controlling interests	(47)	(78)
Other equity instrument holders	(804)	(857)
Attributable profit	6,375	1,526
Selected financial statistics		
Basic earnings per share	37.5p	8.8p
Diluted earnings per share	36.6p	8.6p
Return on average tangible shareholders' equity	13.4%	3.2%
Cost: income ratio	66%	64%

Consolidated summary balance sheet

	2021 £m	2020 £m
As at 31 December		
Assets		
Cash and balances at central banks	238,574	191,127
Cash collateral and settlement balances	92,542	101,367
Loans and advances at amortised cost	361,451	342,632
Reverse repurchase agreements and other similar secured lending	3,227	9,031
Trading portfolio assets	147,035	127,950
Financial assets at fair value through the income statement	191,972	175,151
Derivative financial instruments	262,572	302,446
Financial assets at fair value through other comprehensive income	61,753	78,688
Other assets	25,159	21,122
Total assets	1,384,285	1,349,514
Liabilities		
Deposits at amortised cost	519,433	481,036
Cash collateral and settlement balances	79,371	85,423
Repurchase agreements and other similar secured borrowings	28,352	14,174
Debt securities in issue	98,867	75,796
Subordinated liabilities	12,759	16,341
Trading portfolio liabilities	54,169	47,405
Financial liabilities designated at fair value	250,960	249,765
Derivative financial instruments	256,883	300,775
Other liabilities	13,280	11,917
Total liabilities	1,314,074	1,282,632
Equity		
Called up share capital and share premium	4,536	4,637
Other equity instruments	12,259	11,172
Other reserves	1,770	4,461
Retained earnings	50,657	45,527
Total equity excluding non-controlling interests	69,222	65,797
Non-controlling interests	989	1,085
Total equity	70,211	66,882
Total liabilities and equity	1,384,285	1,349,514
Net asset value per ordinary share	340p	315p
Tangible net asset value per share	292p	269p
Number of ordinary shares of Barclays PLC (in millions)	16,752	17,359
Year-end USD exchange rate	1.35	1.37
Year-end EUR exchange rate	1.19	1.12

Managing risk

Barclays is exposed to internal and external risks as part of its ongoing activities. These risks are managed as part of our business model.

Enterprise Risk Management Framework

At Barclays, risks are identified and overseen through the ERMF, which supports the business in its aim to embed effective risk management and a strong risk management culture.

The ERMF governs the way in which Barclays identifies and manages its risks.

The management of risk is then embedded into each level of the business, with all colleagues being responsible for identifying and controlling risk.

Given the increasing risks associated with climate change, and to support the Group's ambition to be a net zero bank by 2050, it was agreed that climate risk would become a Principal Risk from 2022.

Risk appetite

Risk appetite defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress. Risk appetite is key to our decision-making processes, including ongoing business planning and setting of strategy, new product approvals and business change initiatives.

The Group sets its risk appetite in terms of performance metrics as well as a set of mandate and scale limits to monitor risks. A Group level climate risk appetite was introduced in line with the Group's risk appetite approach. During 2021, the Group's performance remained within its risk appetite limits.

Three lines of defence

The first line of defence is comprised of the revenue-generating and client-facing areas, along with all associated support functions, including Finance, Treasury, Human Resources and Operations and Technology. The first line identifies the risks, sets the controls and escalates risk events to the second line of defence.

The second line of defence is made up of Risk and Compliance and oversees the first line by setting limits, rules and constraints on their operations, consistent with the risk appetite.

The third line of defence is comprised of Internal Audit, providing independent assurance to the Board and Executive Committee on the effectiveness of governance, risk management and control over current, systemic and evolving risks.

Although the Legal function does not sit in any of the three lines, it works to support them all and plays a key role in overseeing Legal risk throughout the Group. The Legal function is also subject to oversight from the Risk and Compliance functions (second line) with respect to the management of operational and conduct risks.

Monitoring the risk profile

Together with a strong governance process, using business and Group level Risk Committees as well as Board level forums, the Board receives regular information in respect of the risk profile of the Group, and has ultimate responsibility for Group risk appetite and capital plans. Information received includes measures of risk profile against risk appetite as well as the identification of new and emerging risks.

During 2021, Barclays ran a range of stress tests to assess its capital adequacy and resilience under severe but plausible macroeconomic scenarios. The internal stress test scenario was based on current economic imbalances such as supply chain issues and labour shortage deteriorating further due to post COVID-19 heightened demand and climate transition pressures. This resulted in high inflation and unexpected increases in base rates (both in the UK and the US) causing an affordability stress for retail customers and corporates along with hindering the post COVID-19 recovery in term of GDP and unemployment. In addition, Barclays participated in the Bank of England (BoE) Solvency Stress Test which was a reverse stress test modelling a pessimistic view of the aftermath of the 2020 COVID-19 crisis with more severe shocks (GDP, Unemployment, and HPI) than prior stress exercises. The results of these tests met the Group risk appetite and capital adequacy.

We believe that our structure and governance supports us in managing risk in the changing economic, political and market environments.

→ For further detailed analysis of approach to risk management and risk performance, please see our full Risk review on pages 200 to 294 of Part 2 of the Annual Report



To support the Group's ambition to be a net zero bank by 2050, it was agreed that climate risk would become a Principal Risk from 2022.

Managing risk continued

The Enterprise Risk Management Framework defines nine Principal Risks

<i>Principal Risks</i>	<i>Risks are classified into Principal Risks, as below</i>	<i>How risks are managed</i>
Credit risk	The risk of loss to the Group from the failure of clients, customers or counterparties (including sovereigns), to fully honour their obligations to the Group, including the whole and timely payment of principal, interest, collateral and other receivables.	Credit risk teams identify, evaluate, sanction, limit and monitor various forms of credit exposure, individually and in aggregate.
Market risk	The risk of loss arising from potential adverse changes in the value of the Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.	A range of complementary approaches to identify and evaluate market risk are used to capture exposure to market risk. These are measured, limited and monitored by market risk specialists.
Treasury and Capital risk	<p>Liquidity risk:</p> <p>The risk that the Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.</p> <p>Capital risk:</p> <p>The risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the Group's pension plans.</p> <p>Interest rate risk in the banking book:</p> <p>The risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.</p>	Treasury and capital risk is identified and managed by specialists in Capital Planning, Liquidity, Asset and Liability Management and Market Risk. A range of approaches are used appropriate to the risk, such as limits; plan monitoring; and stress testing.
Climate Risk	The impact on Financial and Operational Risks arising from climate change through, physical risks, risks associated with transitioning to a lower carbon economy and connected risks arising as a result of second order impacts on portfolios of these two drivers.	The Group assesses and manages its climate risk across its businesses and functions in line with its net zero ambition by monitoring exposure to elevated risk sectors, conducting scenario analysis and risk assessments for key portfolios. Climate risk controls are embedded across the Financial and Operational Principal Risk types through the Barclays Group's Frameworks, Policies and Standards.

Managing risk continued

<i>Principal Risks</i>	<i>Risks are classified into Principal Risks, as below</i>	<i>How risks are managed</i>
Operational Risk	The risk of loss to the Group from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.	The Group assesses and manages its operational risk and control environment across its businesses and functions with a view to maintaining an acceptable level of residual risk.
Model Risk	The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.	Models are evaluated for approval prior to implementation, and on an ongoing basis.
Conduct Risk	The risk of poor outcomes for, or harm to customers, clients and markets, arising from the delivery of the Group's products and services.	The Compliance function sets the minimum standards required, and provides oversight to monitor that these risks are effectively managed and escalated where appropriate.
Reputation Risk	The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Group's integrity and/or competence.	Reputation risk is managed by embedding our purpose and values, and maintaining a controlled culture within the Group, with the objective of acting with integrity, enabling strong and trusted relationships to be built with customers and clients, colleagues and broader society.
Legal Risk	The risk of loss or imposition of penalties, damages or fines from the failure of the Group to meet its legal obligations, including regulatory or contractual requirements.	The Legal function supports colleagues in identifying and limiting legal risks.

Viability statement

The financial statements and accounts have been prepared on a going concern basis.

Provision 31 of the 2018 UK Corporate Governance Code requires the Directors to make a statement in the Annual Report regarding the viability of the Group, including an explanation of how they assessed the prospects of the Group, the period of time for which they have made the assessment and why they consider that period to be appropriate.

Time horizon

In light of the analysis summarised below, the Board has assessed the Group's current viability, and confirms that the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years. This time frame is used in management's Working Capital and Viability Report (WCR), prepared at the start of February 2022. The WCR is a formal projection of capital and liquidity based upon formal profitability forecasts. The availability of the WCR gives management and the Board sufficient visibility and confidence on the future operating environment for this time period.

The three-year time frame has also been chosen because:

- it is within the period covered by the formal medium-term plans approved by the Board which contain projections of profitability, cash flows, capital requirements and capital resources
- it is also within the period over which internal stress testing is carried out
- it is representative of the period and level of anticipated regulatory change in the financial services industry.

The Directors are satisfied that this period is sufficient to enable a reasonable assessment of viability to be made.

Considerations

In making its assessment the Board has:

- carried out a robust and detailed assessment of the Group's risk profile and material existing and emerging risks (see material existing and emerging risks section), in particular those risks which senior management believes could cause the Group's future results of operations or financial condition to differ materially from current expectations or could adversely impact the Group's ability to meet regulatory requirements
- reviewed how those risks are identified, managed and controlled (further detail provided on pages 44 to 46)
- considered the WCR which provides an assessment of forecast CET1, leverage, Tier 1 and total capital ratios, as well as the build-up of MREL up to the end of 2024
- considered the Group's Medium Term Plan
- reviewed the Group's liquidity and funding profile, including forecasts of the Group's internal Liquidity Risk Appetite (LRA) and regulatory liquidity coverage ratios
- considered the Group's viability under specific internal stress scenarios
- considered the stability of the major markets in which it operates, supply chain resilience and regulatory changes
- considered the sustainability of any future capital distributions
- considered scenarios which might affect the operational resilience of the Group

- considered factors that may inform the impact of the COVID-19 pandemic, including (among other things), further waves of the COVID-19 pandemic, effectiveness of vaccines, the emergence of new strains of COVID-19, inflationary pressures and global supply chain disruptions
- considered the impact of the Group's ambition to be a net zero bank by 2050 and support its clients' transition to a low-carbon economy, including the need to incorporate climate considerations into its strategy, business model, the products and services it provides to customers and its financial and non-financial risk management processes
- reviewed the draft statutory accounts and the in-depth disclosure of the financial performance of the Group
- reviewed the possible impact of legal, competition and regulatory matters set out in Note 26 to the financial statements on pages 388 to 392.

The Group's Medium Term Plan is based on assumptions for macroeconomic variables like interest rates, inflation, unemployment, which have been consistently applied for the purpose of forecasting the Group's capital and liquidity position and ratios, as well as any credit impairment charges or releases.

Assessment

Risks faced by the Group's business, including in respect of financial, conduct and operational risks, are controlled and managed within the Group in line with the ERMF. Executive management sets a risk appetite for the Group, which is then approved by the Board. Risk and Compliance set limits, within which businesses are required to operate.

Management and the Board then oversee the ongoing risk profile. Internal Audit provides independent assurance to the Board and Executive Committee over the effectiveness of governance, risk management and control over current and evolving risks.

A full set of material risks to which the organisation is exposed can be found in the material existing and emerging risks on pages 204 to 215 in Part 2 of the Report.

Certain risks are additionally identified as key themes and monitored closely by the Board and Board Committees. These are chosen on the basis of their potential to impact viability over the time frame of the assessment but in some instances the risks exist beyond this time frame.

These particular risks include:

- the potential impact of the combination of the COVID-19 pandemic, further trading disruption between the UK and the EU and general supply chain disruption which could lead to UK economic weakness and further rises in UK inflation. These risks may result in an adverse impact on profitability and capital through increased costs and increased expected credit losses
- embedding climate risk into the Group's risk framework in line with regulatory expectations, and adapting the Group's operations and business strategy to address both the financial risks resulting from: (i) the physical risk of climate change; and (ii) the risk from the transition to a low-carbon economy

Viability statement continued

- legal proceedings, competition, regulatory and conduct matters giving rise to the potential risk of fines, loss of regulatory licences and permissions and other sanctions, as well as potential adverse impacts on our reputation with clients and customers and on investor confidence and/or potentially resulting in impacts on capital, liquidity and funding
- sudden shocks or geopolitical unrest in any of the major economies in which the Group operates which could impact credit ratings, alter the behaviour of depositors and other counterparties and affect the ability of the firm to maintain appropriate capital and liquidity ratios
- evolving Operational risks (notably cyber security, technology and resilience) and the ability to respond to the new and emerging technologies in a controlled fashion.

As a universal bank with a diversified and connected portfolio of businesses, servicing customers and clients globally, the Group is impacted in the longer term by a wide range of macroeconomic, political, regulatory and accounting, technological, social and environmental developments. The evolving operating environment presents opportunities and risks which we continue to evaluate and take steps to appropriately adapt our strategy and its delivery.

Stress tests

The Board has also considered the Group's viability under specific internal stress scenarios. The latest macroeconomic internal stress test, conducted in Q4 2021, considered the potential impact of:

- high peak inflation (UK: 6.5%) underpinned by high energy prices, supply chain issues and climate transition resulting in central banks increasing base rates rapidly (UK 4% / US 3.5%), depressing demand and slowing the economy
- central banks' liquidity being withdrawn causing downward pressure on asset prices and high volatility. Higher borrowing costs impacting businesses which lay off workers (unemployment UK: 9.2% / US 9.5%) and impact consumer spending
- the sharp increase in mortgage servicing costs seeing a significant decrease in house prices, given already stretched valuations
- intensified climate transition through government policy, shareholder pressure and shifting public opinion. A push to 'green' drove costs higher which amplified inflationary pressures and depressed demand. This aggravated the stress and dampened the recovery.

All of the above could result in, among other things, a loss of income or increased impairment. The stress test outcome for macroeconomic tests shows our full financial performance over the horizon of the scenario and focuses on the CET 1 capital ratio.

The Group-wide stress testing framework also includes internal reverse stress testing assessments, which aim to identify the circumstances under which the Group's business model would no longer be viable, leading to a significant change in business strategy and to the identification of appropriate mitigating actions. Examples include extreme macroeconomic downturn ('severely adverse') scenarios, or specific idiosyncratic events, covering both operational risk and capital/liquidity items. Reverse stress testing is used to help support ongoing risk management and is an input to the Group's recovery planning process.

Legal proceedings, competition, regulatory and remediation/redress conduct matters are also assessed as part of the stress testing process. Capital and LRA are set at a level designed to enable the Group to withstand various stress scenarios. As part of this process, management also identified actions, including cost reductions and withdrawal from lines of business, available to restore the Group to its desired capital flight path. These internal stress tests informed the conclusions of the WCR.

The results of the internal stress test were approved by the Board Risk Committee and allowed the Board to approve the Medium Term Plan as being able to sustain a severe but plausible scenario and remain within Risk Appetite.

Based on current forecasts, incorporating key known regulatory changes to be enacted and having considered possible stress scenarios, the current liquidity and capital position of the Group continues to support the Board's assessment of the Group's viability.

Non-financial information statement

We use a variety of tools to track and measure our strategic delivery, and collect both quantitative and qualitative information to get the full picture of our performance.

Certain of the non-financial information required pursuant to the Companies Act 2006 is provided by reference to the following locations:

<i>Non-financial information</i>	<i>Section</i>	<i>Pages</i>
Business model	Business model	12-13
Policies	Non-financial information statement	49-50
Principal Risks	Risk review	44-46
	Principal risk management	218-223*
	Risk performance	224-288*
Key performance indicators	Key performance indicators	20-21

*in Part 2 of the Report

The Non-Financial Reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006 are addressed within this section by means of cross reference in order to indicate in which part of the strategic narrative the respective requirements are embedded. We have used cross referencing as appropriate to deliver clear, concise and transparent reporting.

We have a range of policies and guidance (also available at home.barclays/esg) that support our key outcomes for all of our stakeholders. Performance against our strategic non-financial performance measures, as shown on pages 20 to 39, is one indicator of the effectiveness and outcome of policies and guidance.

Across Barclays, policies and statements of intent are in place to ensure consistent governance on a range of issues. For the purposes of the Non-Financial Reporting requirements, these include, but are not limited to:

Environmental matters

<i>Policy statement</i>	<i>Description</i>
Climate Change statement	The Barclays Position on Climate Change sets out our approach to energy sectors with higher carbon-related exposures or emissions from extraction or consumption, or those which may have an impact in certain sensitive environments or on communities, namely thermal coal, Arctic oil and gas, oil sands and hydraulic fracturing. The statement outlines the important role Barclays plays in ensuring that the world's energy needs are met, while helping to limit the threat that climate change poses to people and to the natural environment.
World Heritage Site and Ramsar Wetlands statement	We understand that certain industries, and in particular mining, oil and gas, and power, can impact areas of high biodiversity value including UNESCO World Heritage Sites (WHS) and Ramsar Wetlands (RW). Our WHS and RW statement outlines our client due diligence approach to preserving and safeguarding these sites.
Climate Change Financial and Operational Risk Policy	In 2019, we published a 'Climate Change Financial Risk and Operational Risk Policy'. This introduced climate change as an overarching risk impacting certain Principal Risks: Credit risk, Market risk, Treasury and Capital risk and Operational risk. The policy is jointly owned by the relevant Principal Risk Leads with oversight by the Board Risk Committee. With Climate risk becoming a Principal Risk, the policy has been updated accordingly and is still in effect. For more information, please see the Risk section on pages 200 to 294 in Part 2 of the Report
Forestry and Agricultural Commodities statement	We recognise that forestry and agribusiness industries are responsible for producing a range of commodities such as timber, palm oil and soy that are often associated with significant environmental and social impacts, particularly in relation to biodiversity loss, tropical deforestation and climate change. Our Forestry and Agricultural Commodities Statement outlines our due diligence approach for clients involved in these activities, ensuring that we support clients that promote sustainable forestry and agribusiness practices while respecting the rights of workers and local communities.

Colleagues

<i>Policy statement</i>	<i>Description</i>
Board Diversity Policy	The Board Diversity Policy confirms that the Board Nominations Committee will consider candidates on merit against objective criteria with due regard to the benefits of diversity when identifying suitable candidates for appointment to the Board.
Code of Conduct	The Barclays Code of Conduct outlines the Values and Behaviours which govern our way of working across our business globally. It constitutes a reference point covering all aspects of colleagues' working relationships, specifically (but not exclusively) with other Barclays employees, customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community.

Non-financial information statement continued

Social matters

<i>Policy statement</i>	<i>Description</i>
Donations	Barclays works in partnership with non-profit organisations, including charities and NGOs, to develop high-performing programmes and volunteering opportunities that harness the skills and passion of our employees. Barclays has chosen to partner with a small number of organisations, allowing us to have deeper relationships and ultimately enabling us to have the greatest impact on our communities in which we operate. Barclays does not accept unsolicited donation requests.
Tax	Our Tax Principles are central to our approach to tax planning, for ourselves or on behalf of our clients. Since their introduction in 2013 we believe our Tax Principles have been a strong addition to the way we manage tax, ensuring that we take into account all of our stakeholders when making decisions related to our tax affairs. The same applies to our Tax Code of Conduct.
Sanctions	Sanctions are restrictions on activity with targeted countries, governments, entities, individuals and industries that are imposed by bodies such as the United Nations (UN), the EU, individual countries or groups of countries. The Barclays Group Sanctions Policy is designed to ensure that the Group complies with applicable sanctions laws in every jurisdiction in which it operates.
The defence industry	The Barclays Statement on the Defence Sector outlines our appetite for defence-related transactions and relationships. We provide financial services to the defence sector within a specific policy framework. Each proposal is assessed on a case-by-case basis and legal compliance alone does not automatically guarantee our support.

Human rights

<i>Policy statement</i>	<i>Description</i>
Human rights	Barclays operates in accordance with the International Bill of Human Rights and takes account of other internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights (UNGPs). We respect and promote human rights in our own operations through our employment policies and practices and our supply chain through screening and engagement.
Modern slavery	Barclays recognises its responsibility to comply with all relevant legislation including the UK Modern Slavery Act 2015. In accordance with the requirements of the Act, we release an annual Barclays Group Statement on Modern Slavery, which outlines the actions we have taken in seeking to identify and address the risks of modern slavery and human trafficking in our operations, supply chain, and customer and client relationships.
Supply chain	Our supply base is diverse, including start-ups, SMEs, and businesses owned, controlled and operated by under-represented segments of society as well as multinational corporations. We recognise that these partnerships have significant direct and indirect environmental and social impacts. We actively encourage our supplier partners to meet Barclays' requirements in order to meet our obligations to our stakeholders.
Data protection	Across Barclays, the privacy and security of personal information is respected and protected. Our Privacy Statement governs how we collect, handle, store, share, use and dispose of information about people. We regard sound privacy practices as a key element of corporate governance and accountability.

Anti-bribery and anti-corruption

<i>Policy statement</i>	<i>Description</i>
Bribery and corruption	We recognise that corruption can undermine the rule of law, democratic processes and basic human freedoms, impoverishing states and distorting free trade and competition. Our statement reflects the statutory requirements applicable in the UK as derived from the UN and Organisation for Economic Co-operation and Development conventions on corruption.
Anti-money laundering and counter-terrorist financing	Barclays' Anti-Money Laundering Policy is designed to ensure that we comply with the requirements and obligations set out in UK legislation, regulations, rules and industry guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk of the Group being used to facilitate financial crime.

Our approach to environmental and social issues is subject to governance and oversight of our management and Board structures.

Environment Social Governance report 2021

Introduction	52	Governance	
Environment		<ul style="list-style-type: none"> ■ The Barclays Way 80 ■ Conduct 81 ■ Responsible and inclusive banking 88 ■ Financial crime 91 ■ Whistleblowing 93 ■ Managing data privacy, security and resilience 94 ■ Contributions, associations and memberships 96 ■ Tax 97 	
<ul style="list-style-type: none"> ■ Our operational footprint 54 ■ Reducing our financed emissions 57 ■ Our approach to nature and biodiversity 59 		Additional disclosures	
Social		<ul style="list-style-type: none"> ■ Climate-related financial disclosures summary 100 ■ External ESG ratings and benchmarks 102 ■ ESG Resource Directory 103 	
<ul style="list-style-type: none"> ■ Accessible retail products and services 62 ■ Our supply chain 65 			
Social and environmental financing			
<ul style="list-style-type: none"> ■ Sustainable financing 69 ■ Developing and deploying finance solutions 73 ■ Managing impacts in lending and financing 76 			

Environmental Social Governance Disclosures 2021 continued

Our approach to ESG disclosures

Introduction

Our approach to environmental and social issues is becoming increasingly integrated in the work we do across our business and is subject to the governance and oversight of our management and Board structures. Reflecting this trend, we have taken the decision to integrate our ESG reporting into this year's Annual Report. The following pages set out more information on our approach to ESG, including how we think about, and measure, our environmental and social impacts. Our approach is informed by our engagement with our stakeholders, including with customers and clients, colleagues, investors, regulators and wider society.

Although there is no globally accepted regulatory framework for ESG disclosures, Barclays supports efforts to further enhance ESG reporting and improve consistency across the industry. For example, we were

one of the founding signatories of the United Nations Principles for Responsible Banking (PRB) and we continue to support the work of the International Sustainability Standards Board (ISSB) and the Sustainable Markets Initiative. We are also pleased to report under the framework set out by the Task-Force on Climate-related Financial Disclosures (TCFD); our report is available to read alongside this document as well as our high-level summary on pages 100 to 101 for further details. We participate in a range of regional and global industry efforts to promote increased harmonisation on data, taxonomies and disclosures. As reporting standards develop and begin to be implemented across jurisdictions, we will continue to evolve our approach to ESG disclosures in line with regulatory guidance and market practice.

Beyond the information included in these pages, additional disclosures can be found online via our ESG Resource Hub.

KPMG LLP Limited Assurance

Barclays appointed KPMG LLP to perform limited independent assurance over selected ESG content, which have been marked with the symbol Δ .

The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements. A limited assurance opinion was issued and is available at the website link below. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this section of the Annual Report has been subject to external assurance or audit.



Further details can be found on the ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

ESG Resource Hub

The Resource Hub provides detailed technical information, disclosures and our position statements on environmental, social and governance matters. It is intended to be relevant for analysts, ESG investors, rating agencies, suppliers, clients and all other stakeholders.



home.barclays/sustainability/esg-resource-hub/

ESG Data Hub

This year, we have launched a new online ESG Data Hub located within the ESG Resource Hub, providing access to key ESG related metrics in a single place.



home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

ESG Additional Reporting Disclosures

We have published detailed climate disclosures, consistent with the guidance given by the Task-Force on Climate-related Financial Disclosures, in a separate TCFD Report. Please refer to our summary of climate-related financial disclosures on pages 100 to 101 for further details.

We also provide additional information online, including progress reporting through our membership of initiatives such as the Principles for Responsible Banking (PRB), as well as reporting indices with reference to the relevant sector guidelines from the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI).



home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/



Environment

This section provides further detail on elements of our climate strategy, as set out earlier in this document. It includes information on our approach to achieve net zero operations and reduce our financed emissions as well as information on our emerging approach to nature and biodiversity.

Information on our support to finance the transition is available in the 'Social and environmental financing' section further below. Information on our climate-related financial disclosures is available in the 'Additional disclosures' section on pages 100 to 101 and in our separate TCFD Report.

ESG: Environment continued

To help support our ambition to be a net zero bank by 2050, Barclays is working to achieve net zero operations.

Our operational footprint

Net zero operations

As part of our ambition to be a net zero bank by 2050, Barclays is working to achieve net zero operations^a and supply chain emissions. Barclays has been carbon neutral for its Scope 1^b, Scope 2^c and Scope 3 business travel^d emissions since 2020. We intend to remain carbon neutral, while investing in the continued decarbonisation of our operations and in the development of a net zero pathway for the emissions from our supply chain.

We are defining net zero operations as the state in which we will achieve a GHG reduction of our Scope 1 and 2 emissions by at least 90% against a 2018 baseline and use carbon removals to eliminate any residual operational emissions that we cannot yet abate.

We are defining carbon neutral as first reducing carbon dioxide emissions then counterbalancing carbon dioxide emissions from Scope 1, Scope 2 and Scope 3 business travel with carbon offsets.

In 2020, we disclosed that we were already net zero from our own operations, based on the common understanding at that time, that net zero and carbon neutral were interchangeable terms. To reflect the most recent interpretations of both of these terms in public disclosure, we will make a distinction between net zero operations and carbon neutral in our disclosures from now on.

The standards available to understand and define net zero are rapidly evolving. We will continue to review and develop our own approach to net zero operations as this subject area matures.

We continue to remain carbon neutral, by reducing or eliminating sources of carbon dioxide emissions associated with our operations and business travel and by compensating any remaining emissions by purchasing carbon credits under the Verified Carbon Standard (VCS).

Decarbonising our operations

In 2019, we joined the global corporate renewable energy initiative, RE100 with a commitment to source 100% renewable electricity for our global property portfolio by 2030, with an interim goal of 90% by 2021.

In 2021, we met our target with 94%^a of the electricity used across our global property portfolio coming from renewable sources. This transition to renewable sources of energy contributed to Barclays exceeding its target of 80% GHG emissions reduction for Scope 1 and Scope 2 (market based) emissions by achieving an 86%^d reduction in 2021. Over the coming years, in addition to using green tariff^e and energy attributes certificates^f to achieve our RE100 commitment, we aim to sign Power Purchase Agreements^g and increase on-site renewable energy generation. We intend to generate 10% of our key campuses total operational

energy from on-site renewables by 2035. For example, we have installed a solar panel power plant in our Pune campus that has reduced our emissions by 80tCO₂e from February to September 2021 and we are building a Sustainability Centre in our Glasgow campus that will provide self-generated solar energy for our Glasgow campus.

At the same time as continuing our transition to renewable electricity, we intend to decarbonise our global property portfolio by progressively eliminating the use of fossil fuels currently used to heat and cool our buildings. We will continue removing the use of natural gas in our buildings, replacing gas boilers with carbon-free heating technologies when feasible. We will also continue to embed circular economy principles to reduce waste in our buildings and support the regeneration of natural systems.

Notes

Δ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/

- Operations include company cars, offices, retail branches and data centres where Barclays have operational control.
- Scope 1 emissions include our direct GHG emissions from natural gas, fuel oil, company cars and HFC refrigerants.
- Scope 2 emissions include our indirect GHG emissions from purchased electricity and purchased steam and chilled water.
- Scope 3 business travel emissions are our indirect emissions from commercial air travel and other transport.
- Green tariffs are programmes in regulated electricity markets offered by utilities that allow large commercial and industrial customers to buy bundled renewable electricity from a specific project through a special utility tariff rate.
- EAC is the official documentation to prove renewable energy consumption. Each EAC represents proof that 1 MWh of renewable energy has been produced and added to the grid. Global EAC standards for renewable claims are primarily Guarantees of Origin in Europe, RECs in North America and International RECs (I-RECs) in a growing number of countries in Asia, Africa, the Middle East and Latin America.
- A Power Purchase Agreement (PPA) for renewable electricity is generally defined as a contract for the purchase of power and associated renewable energy credits (RECs) from a specific renewable energy generator (the seller) to a purchaser of renewable electricity (the buyer).

ESG: Environment continued

Improving the energy efficiency of our operations

In 2021, we launched an Energy Optimisation Programme to help improve the energy efficiency of our global property portfolio. The programme aims to improve our building management system (BMS) controls, including our use of air conditioning units and energy efficient technologies such as LED lighting, as well as our ability to adjust to changing occupancy requirements and weather conditions. To align with the UK Green Building Council net zero building pathway recommendations, we intend to achieve a 70% energy intensity reduction across our key campuses by 2035.

Making our operations more environmentally sustainable

We continue to work to ensure our facilities consume fewer resources, maximise the re-use of our materials and improve indoor environmental quality.

In 2021, we produced 4,014 tonnes of waste across our key sites; while this is a 76% reduction in comparison to 2018; we recognise that we need to do more. The reduction in waste was largely driven by our new hybrid working model accelerated by the COVID-19 pandemic and the investment in our digital capabilities. For example, we reduced the volume of purchased paper by 91% compared to 2018.

Our ambition is to achieve and maintain TRUE (Total Resource Use and Efficiency) zero waste certified projects across our key campuses by 2035, which means we must divert a minimum of 90% of solid, non-hazardous wastes from the environment, landfill, incineration (waste-to-energy) to recycling facilities or locations where the waste can be reused.

To support our waste reduction strategy, our Glasgow campus has already partnered with Soulridders to redistribute surplus food to local charities and started to replace single use items with reusable items and repurposed the onsite compost for our landscaping needs.

We continue to work to improve the efficiency of our water consumption across our key campuses by investing in water saving infrastructure. For example, Pune was our first campus to have a fully integrated rainwater harvesting system to store and repurpose 50,000 litres of rainwater.

To support our efforts to design and operate sustainable buildings, we aim to follow sustainability best practices, including the US Green Building Council's Leadership in Energy and Environmental Design (LEED) certification programme and international green building standards, such as Building Research Establishment Environmental Assessment Method (BREEAM), National Australian Built Environment Rating System (NABERS) and GreenMark. In 2021, 45% of our global property portfolio had green building certifications, and 35% buildings remain certified to ISO 14001, the international standard for designing and implementing an Environmental Management System (EMS). Our ambition is to roll out ISO 14001 certifications across our key campuses by 2025.

Minimising our travel emissions

Even though employee travel is a relatively small source of our carbon emissions, we intend to minimise travel emissions where we can. We do this by leveraging digital technology where possible as an alternative to face-to-face meetings, adjusting our travel policy to promote low-carbon solutions and avoid non-essential business trips and using our booking and reporting platforms to improve colleagues' awareness of their individual carbon footprint.

In 2021, total colleague air travel emissions were 1,797 tCO₂e, with a 97% reduction against a 2018 baseline, accelerated by travel restrictions arising from the COVID-19 pandemic. As we move to more normalised business travel levels after the pandemic, we recognise we may see an increase in travel emissions in future years. All emissions related to our business travel are offset.

Engaging our colleagues

We want to engage our colleagues and help them upskill as we all transition to a low-carbon economy and try to lower their personal carbon footprint. We partner with a number of community programmes for colleagues to take part in, and raise awareness on global environmental campaigns such as the World Environment Day and Earth Hour, as well as operating 11 employee-led environmental networks globally. In 2021, we piloted a colleague app where users earn 'green points' for completing sustainable actions such as avoiding single-use plastic and switching off monitors when they are not being used. This resulted in more than 850 employees in the UK taking more than 6,000 actions, helping to avoid an estimated 15,000 kg CO₂e.

Carbon offsetting

We purchase carbon offsets, under the VCS to compensate for any remaining emissions in our operations and business travel.

We conduct due diligence as part of our procurement of carbon offsets. We have invested in a portfolio of credits, under the VCS, that come from approved methodologies. In addition to internal reviews, we also undertake third-party review of the project portfolio from an independent voluntary carbon markets advisory firm, which is not directly involved in the sourcing process. All final projects must pass independent due diligence screening based on risk assessment in five key areas: location, technology, additionality, environmental and social impacts as well as environmental and social benefits.

As part of our operational and business travel carbon offsetting strategy, we maintain support for nature-based climate solutions. This includes the purchase of carbon credits from REDD+ (reducing emissions from deforestation and forest degradation) avoided deforestation projects, as well as a project by Indigo which seeks to enhance soil carbon in agricultural land. We recognise the importance of ensuring the integrity of natural capital and we screen nature-based offsets against established methodologies and where possible, have additional environmental and social co-benefits.

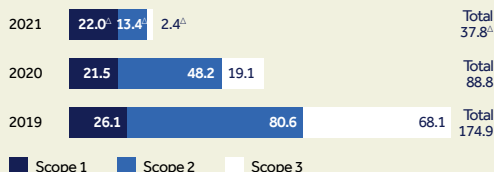
We firmly support initiatives to enhance the integrity and quality of the voluntary carbon markets including the work of the Taskforce on Scaling Voluntary Carbon Markets.

ESG: Environment continued

Operational footprint dashboard

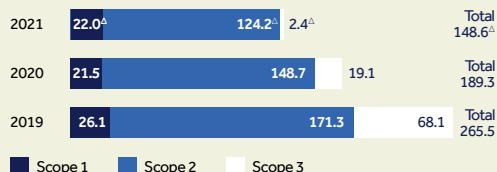
Total GHG emissions by scope (market based)

'000 tonnes CO₂e



Total GHG emissions by scope (location based)

'000 tonnes CO₂e



Scope 1 and 2 (marked based) GHG emission reductions (against a 2018 baseline)



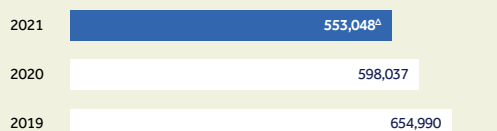
GHG emissions intensity (market based)

tonnes CO₂e / FTE



Total energy use

GWh



Progress against Barclays' commitment to RE100



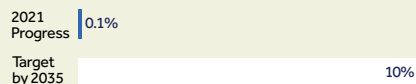
ESG Data Hub

See the ESG Data Hub for further details on our annual operational Greenhouse Gas emissions since 2018, including our Scope 1, Scope 2 and Scope 3 business travel location based and market based emissions. We further provide insights on our annual waste production, energy and water consumption and renewable electricity consumption by country.

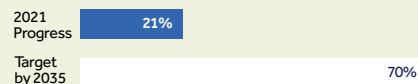
Further details relating to our operational footprint can be found at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Campus sustainability measures

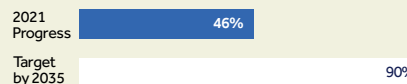
On-site renewable electricity generation



Energy intensity reduction (kWh/m²) (against a 2019 baseline)



Waste diverted



Improve water efficiency



Notes

- Emission reductions and intensities have been reported using the market based methodology.
- The reporting year for our GHG emissions is 1 October to 30 September. The methodology used for emissions calculation is the WRI/ WBCSD Greenhouse Gas (GHG) Protocol. We have adopted the operational control approach on reporting boundaries. For more information, see the Barclays ESG Reporting Framework 2021 on our ESG Resource Hub.
- For 2021, we have applied the latest emission factors available at the time of reporting. We continuously review and update our performance data based on updated carbon emission factors, improvements in data quality and updates to estimates previously applied. We have recalculated this information from our previous 2020 reporting year. Where the recalculation of our performance using updated carbon emissions factors and improvements in data quality and estimates has resulted in a change of more than 5% we have represented these figures in the table above. In 2021, we conducted a review of our GHG emissions inventory for Scope 1 and Scope 2 to improve the transparency of our public emissions disclosure. Historically, Barclays have chosen to account for third party managed data centres under Scope 1 and Scope 2. Based on our review, and with due regard to the GHG Protocol Guidelines and Operational Control definitions, we have updated our GHG accounting policy and reallocated the emissions of third party managed data centres under Scope 3 'downstream leased assets', which will be reported in future. This reallocation is reflective of our limited control over energy sources at third party managed data centres. We have therefore re-baselined our historic emissions for 2018 and updated our reported figures for subsequent years. The previously reported Scope 2 (location based) emissions were: 2018 (203,100 tCO₂e), 2019 (182,000 tCO₂e) and 2020 (159,500 tCO₂e). In addition, a correction to underlying fugitive consumption data was identified, which has resulted in an adjustment to 2018-2020 fugitives emissions. The previously reported Scope 1 emissions were: 2018 (25,900 tCO₂e), 2019 (23,800 tCO₂e) and 2020 (18,800 tCO₂e).

^Δ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/
 Further details of the data provided, including further granularity of decimal points can be found in the ESG Data Hub located within the ESG Resource Hub at home.barclays/sustainability/esg-resource-hub/

ESG: Environment continued

Barclays is committed to aligning its financing with the goals and timelines of the Paris Agreement.

Reducing our financed emissions

In 2020, we set an ambition to be a net zero bank by 2050 and committed to align all of our financing to the goals and timelines of the Paris Agreement.

In order to meet this ambition, we need to reduce the client emissions that we finance, not just for lending but for capital markets activities as well. To help us achieve that, we developed BlueTrack™, our methodology for measuring financed emissions and tracking them at a portfolio level against the goals of the Paris Agreement. BlueTrack™ builds on and extends existing industry approaches to cover not only lending but also capital markets financing. We believe our approach to measuring financed emissions better reflects the breadth of our provision of financing for clients through our investment bank.

We started by setting targets for the Energy and Power sectors because they are responsible for up to three-quarters of all Greenhouse Gas (GHG) emissions globally. As a founding member of the Net-Zero Banking Alliance (NZBA), we intend to use science-based decarbonisation scenarios to set targets for a number of high emitting sectors by 2024.

When we developed BlueTrack™, we acknowledged it was a first generation methodology and we would continue to enhance and refine it.

In 2021, we continued to develop our methodology including adding granularity and updating external client and industry data as these become available over time. We have re-performed the 2020 year-end estimates (as reported in 2020) by enhancing those estimates with the improved data that became available during 2021.

On a net basis, these changes had no notable impact on our baseline data as reported. As our methodology evolves we will continue to review the impact on our reported baselines and we will re-perform estimates from time to time with available data.

There is no consistent industry-wide approach to measuring emissions and approaches continue to evolve. We are actively involved in industry-wide initiatives to build consensus on carbon accounting and portfolio alignment, for example through our membership of the Partnership for Carbon Accounting Financials (PCAF).

We continue to evolve our approach and welcome the continuing industry efforts to converge on a common standard.

Say on Climate

In line with our commitment to offer shareholders a 'Say on Climate', we will be publishing an update on our climate strategy, targets and methodology in advance of the 2022 Annual General Meeting. This will include 2030 targets for two new sectors, Cement and Metals (Steel).



Further details can be found at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Energy and Power

In November 2020, we set a target for a 30% reduction in the CO₂ intensity of our Power portfolio by 2025, as well as a target for a 15% reduction in absolute CO₂ emissions of our Energy portfolio by 2025.

In 2021, we reduced our absolute financed emissions in Energy by 22%, exceeding our 2025 Energy target. This reflects year-on-year reductions in borrowing and capital markets volumes across the market to more normalised levels, as well as conscious changes to our lending portfolio, where we have re-evaluated credit risk limits in segments of the Energy sector which could be most adversely affected by climate change. In 2022, a post COVID-19 pandemic rebound of the markets may result in increased issuance volumes which in turn may reverse some of our progress achieved to date. However, we also expect to see further reduction in our clients' emissions as they implement their transition plans.

Our Power portfolio has seen an 8% net decrease in emissions intensity during 2021, reflecting changes in both our lending and capital markets activity. We have supported our Power clients in transitioning their business models in 2021, across all sectors, we facilitated £29.8bn^a of total green financing, up 70% from £17.6bn in 2020. This includes £2.5bn used to directly fund renewable power generation projects. This increase in green financing^b across the Power sector reflects the increased emphasis both issuers and investors are placing on accelerating the transition to a low-carbon economy, which is reflected in the reduction in emissions intensity of our financing.

While we have seen solid progress against our targets in 2021, it is important to note that progress towards our targets will likely be volatile and non-linear. The transition to a low-carbon economy will be reflective of the specific pathways companies take. For some sectors progress can occur in the short term while for others, the technologies required to transition are not yet fully available meaning they are likely to transition at a later point in time.

Achieving our targets will largely depend on our clients' progress on their individual transition pathways. Many of our clients have published their own transition plans and report on their progress; other clients have not yet made their transition plans public. We expect that, over time, more clients will publish plans and also that many of our clients will be able to accelerate their plans beyond what is known today. In the short term, we may experience significant decreases or increases in our metrics, partly due to the volatility of the mix and volume of capital markets financing (included in our metrics) which is generally beyond our control and due to the pace of our clients' emission reductions.

Notes

a. Further information as well as a detailed methodology white paper will be made available online, see: home.barclays/sustainability/our-position-on-climate-change/

b. Further details on our green financing can be found on page 69.

ESG: Environment continued

We continue to focus on understanding our Power and Energy clients' transition plans. There has been a notable acceleration in clients' targets and climate commitments, particularly as they look to decarbonise their own operations (Scope 1 and 2) with some clients also now including Scope 3 emissions in their climate targets. In our Energy portfolio, approximately three quarters of our financing is with Energy producers that have published decarbonisation targets; over half of our

financing is to clients that have committed to becoming net zero in their Scope 1 and 2 emissions by 2050. We have also seen an increase in decarbonisation commitments from our Power utilities clients. As companies release their annual reported metrics for 2021 in the coming months, we expect to see further details and evidence of their progress against their commitments, which will be reflected in our metric over time.

Just Transition

Barclays recognises the need to sustain and support livelihoods and communities in the UK and around the world as we support our clients to transition to a low-carbon economy. A Just Transition is essential for achieving the goals of the Paris Agreement. The Paris Agreement envisages that appropriate financial resources, new technology and an enhanced capacity building framework are put in place to support action by those countries most vulnerable to the impacts of climate change. Governments and the private sector each have roles to play in ensuring that the transition to a low-carbon economy is not carried out at the expense of vulnerable communities, social welfare, and access to decent work and quality jobs. Financial institutions have a role to play in integrating social considerations into their supply chains, policies, and decision-making as part of their participation in the transition towards a low-carbon economy.

In 2021, Barclays joined over 40 financial institutions and stakeholders to form the Financing a Just Transition Alliance (FJTA), coordinated by the Grantham Research Institute on Climate Change and Environment at the London School of Economics (LSE). The Alliance

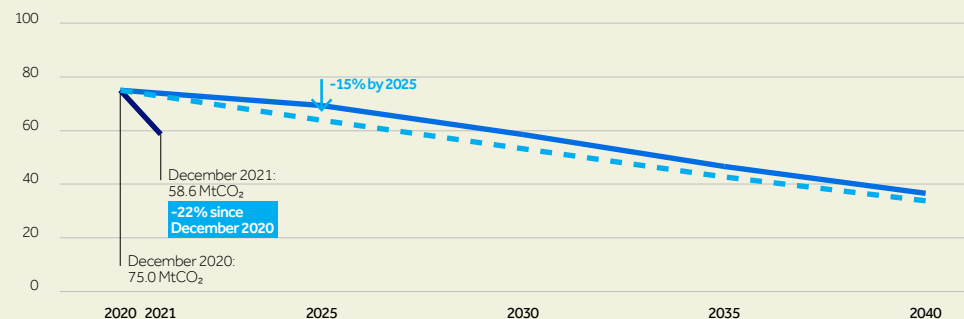
aims to translate the concept of a Just Transition into tangible steps and outcomes. In 2021, Barclays contributed to the report, 'Just Zero: 2021 Report of the UK Financing a Just Transition Alliance', which sets out requirements for a Just Transition in the UK, while highlighting potential applications in an international context.

The report featured a Barclays case study, focusing on Barclays' Rebuilding Thriving Local Economies (RTLE) programme. The RTLE is a five-year initiative, launched in 2018, that aims to boost local economies across the UK through cooperation with local authorities, academics, schools and business groups. The coastal community of Great Yarmouth was announced as a RTLE pilot area in March 2021; its large offshore wind sector represents a growing industry key to the decarbonisation of the UK's energy supply. While in the early stages of this pilot, Barclays began to scope out ways to help facilitate a Just Transition, focusing on two areas – supporting local businesses and addressing the local skills gap. Barclays will work directly with businesses, business groups and local business leadership to help them find opportunities for growth and job creation from the transition.

Our current estimate of our clients' activity based on our disclosed methodology

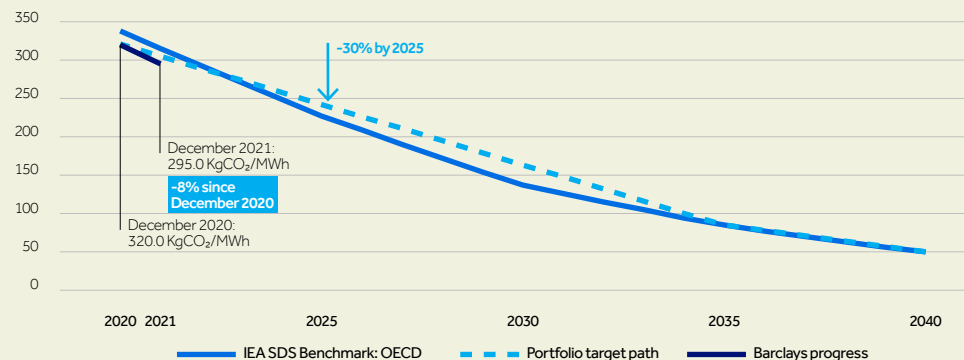
BlueTrack™ financed emissions – Energy

Absolute emissions MtCO₂



BlueTrack™ financed emissions – Power

Emissions intensity KgCO₂/MWh



The 2021 Benchmark OECD data provided is interpolated i.e. As the IEA 2019 SDS OECD report only provides data for certain time points, the years in between these time points are linearly interpolated to generate estimated values, including the value used for 2021.

ESG: Environment continued

Banks have a critical role to play in stewarding nature-positive finance and managing their nature-related risks.

Our approach to nature and biodiversity

Nature and biodiversity are intrinsically connected to efforts to mitigate and adapt to the effects of climate change and are vital to ensuring a sustainable economy and healthy society. The financial sector will have an important role to play in stewarding responsible finance and in supporting new financial flows for a nature-positive future. As a financial services institution, this includes understanding and evaluating the ways in which our financing activities impact on nature. It also includes the ways in which the organisation is dependent on nature and functioning ecosystems.

Barclays has relationships with customers and clients across a wide range of sectors and geographies, who face risks to their operations, supply chains and markets from biodiversity loss and land-use change. Recognising the importance of this agenda, we are developing our understanding and evaluating the Group's environmental impacts and dependencies as well as where we can support our clients through the transition to a nature-positive economy.


Collaboration both within and across industries is essential to this transition. Barclays is pleased to be a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. We also joined the Get Nature Positive initiative alongside other businesses to identify opportunities to take nature-positive action. Recognising deep interlinkages across environmental and social themes, it is necessary to view our work on nature and biodiversity, which includes our approach to deforestation and human rights on page 78, in tandem with our work on climate as summarised on pages 100 to 101.

Nature-related risk in financing

We intend to do more to assess and minimise negative impacts of our financing activities on nature. We have included financing restrictions that seek to address biodiversity risk within our position statements on Forestry and Agricultural Commodities, World Heritage Sites and Ramsar Wetlands, and Climate Change.

Barclays has engaged with a number of emerging methodologies to assess nature-related impacts and dependencies at a portfolio level. In 2021, Barclays contributed to initial developments of the Natural Capital Finance Alliance's ENCORE biodiversity module which supports financial institutions to better understand biodiversity-related impacts of their portfolios and we are part of an industry user group working to develop an approach to assess nature-related risks and opportunities relevant to financial institutions.

Further to the work that began in 2020 in relation to identifying biodiversity and ecosystems as a critical area within our PRB pilot impact assessment, we continue to assess any associated impacts within our portfolio.

 **For further details, see our position statements on the Barclays ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/**

 **Further details on our position statements can be found in the non-financial information statement on pages 49 to 50.**

Get Nature Positive

In 2021, Barclays joined Get Nature Positive, an initiative led by the UK Government's Department for Environment, Food and Rural Affairs and the Council for Sustainable Business. Get Nature Positive is a commitment by businesses to advance on their journey towards nature positive action. Through the initiative, businesses agree to continuously enhance their understanding of nature-related business impacts and to identify new opportunities.

Barclays joined other businesses at the 2021 United Nations Climate Change Conference (COP26) for Nature Day to promote the newly launched initiative, and to showcase what the financial sector is doing to protect and preserve nature and biodiversity.



Further details on Get Nature Positive can be found at: getnaturepositive.com/



ESG: Environment continued

Nature-related financing

Biodiversity and nature-related financing present significant opportunities for the financial sector given the large requirement for capital to protect and restore biodiversity and natural ecosystems. Barclays can contribute to meeting this gap through our green and sustainable finance targets. These targets include financing related to biodiversity, such as 'sustainable food, agriculture, forestry, aquaculture and fisheries' in addition to financing that tracks against Sustainable Development Goal (SDG) 14, Life Under Water as well as SDG 15, Life on Land.

Barclays' operational and business travel carbon offsetting strategy includes support for nature-based climate solutions. This includes the purchase of carbon credits from REDD+ projects and support for an innovative early-stage project by Indigo, which focuses on measurably enhancing soil carbon levels in agricultural land through the promotion of regenerative farming practices. We recognise the importance of the integrity of natural capital and we aim to ensure any nature-based offsets we purchase are issued under high quality standards and certifications and where possible, have additional environmental and social co-benefits.

In addition to accounting for our own operations and recognising the critical role of natural systems in combating climate change, Barclays' partnership with the Blue Marine Foundation is helping to support the protection and sustainable management of the world's ocean, the planet's largest natural carbon sink.

→ For further details on Nature-related financing, see our 'Sustainable financing' section on pages 69 to 72.

🌐 For further details on our approach to SDGs can be found in the ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/

→ For further details on Barclays' approach to environmental impacts in our operations, see the 'Managing our operational footprint' section on pages 54 to 56.

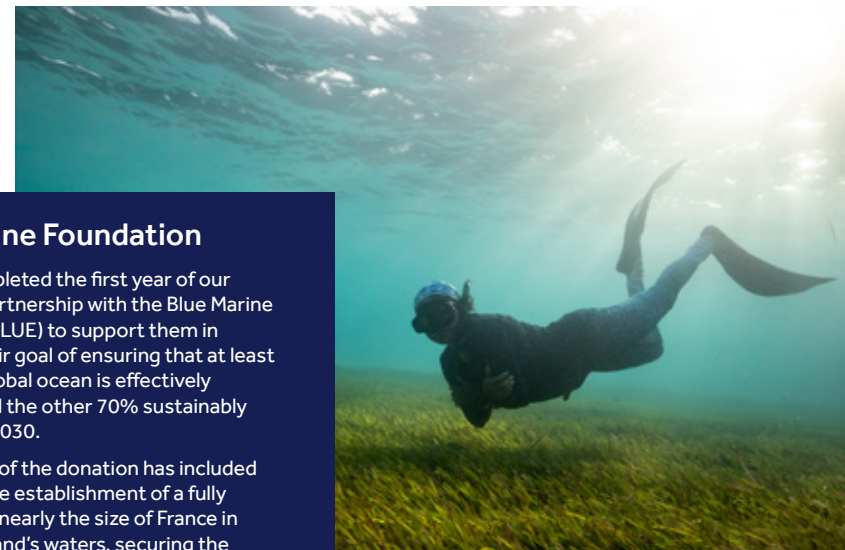
Blue Marine Foundation

Barclays completed the first year of our three-year partnership with the Blue Marine Foundation (BLUE) to support them in delivering their goal of ensuring that at least 30% of the global ocean is effectively protected and the other 70% sustainably managed by 2030.

The first year of the donation has included supporting the establishment of a fully no-take zone nearly the size of France in Ascension Island's waters, securing the protection of 300km² of seabed and kelp forests on the south coast of the UK, developing a new online educational platform to communicate the link between ocean health and climate change, and developing thought leadership in conservation finance, blue carbon and oceanic climate change.

Recognising the critical links between the ocean and the issues of climate change and biodiversity loss, this partnership is an example of how collaboration between NGOs and the corporate sector can bring together new opportunities for nature-positive action and seek to make progress against the gap in financing for climate and biodiversity solutions.

🌐 Further details on the Blue Marine Foundation can be found at: bluemarinefoundation.com/



*BLUE's Maldives Project Manager, Shaha, swimming above seagrass.
Credit: Matt Porteous*

Social

This section describes our approach to social matters within our business, such as accessible retail product and service offerings, understanding our customers and clients expectations and aspirations, and the way we look to manage ESG matters in our supply chain. Information on our people and culture is available in our dedicated Diversity and Inclusion Report. We support our communities through a range of initiatives and partnerships, with additional information available in the Strategic Report.

Supporting our colleagues

Our colleagues are our most valuable assets. They make a critical difference to our success, and investment in them protects and strengthens our culture. For more details about how we support our people, please see below:

- The 'Our people and culture' section of our Strategic Report 2021, see pages 29 to 34
- Our Diversity and Inclusion Report, which covers our wellbeing programme and the six intersectional pillars of our diversity and inclusion agenda
- Our Group Health and Safety Statement of commitment
- Our UK Pay Gaps disclosure
- Our Fair Pay Report
- Our Statement on Human Rights

For further details, see the ESG Resource Directory on page 103.



ESG: Social continued

We are determined to understand our customers' and clients' expectations and aspirations, and develop products and services that support them.

Accessible retail products and services

Access to banking

The banking services we provide and the manner in which they are delivered continue to evolve, driven by the changing needs of our customers. How we bank today is unrecognisable from 50 years ago. Customers are demanding more convenient, simpler ways to bank that fit their lives. We are continuing to help deliver these solutions at pace.

As a part of these changes, it is not just the number, but also the role of the physical branch that is evolving from a place where a significant number of transactions are completed manually, to one in which customers can be supported to be more financially empowered and self-sufficient over simple transactions. Using technology, with assistance for vulnerable customers and those that need help, we are creating space and time for more complex financial conversations.

This ongoing change in behaviour means that as the number of bricks and mortar branches has reduced over time, we are also investing in new, more flexible ways of serving customers better in the long run. These include temporary and flexible banking pop-ups in community spaces, libraries and companies, and the introduction of mobile banking vans.

Alongside our investment in technology enabling close to 11 million digital customers to access tools and products whenever they need them, these new destinations will transform everyday banking by making it easier and more convenient, while keeping Barclays at the heart of the community, on a long-term sustainable basis.

We are working to ensure that customers who rely on cash; in particular, older and more vulnerable customers can still access it and get the support they need. This is why we have joined forces with our competitor banks and consumer groups, the Post Office and LINK, in an agreement on shared services helping to ensure long-term cash availability across the UK.

In the future, as branch closures are announced, LINK will independently assess remaining cash provision against agreed industry standards, and where required, in conjunction with local communities, will propose new shared services.

The industry will work together to deploy these services on a shared cost basis, which will include shared Banking Hubs and ATMs. In this way we will help to ensure that no one is left behind, with every person and small business being guaranteed reasonable access to cash in a sustainable manner.

Alongside these changes, we are continually investing in multi-skilled training for our colleagues so they are better able to serve customers in ways that meet their needs today as well as breaking down internal barriers to enable more queries to be resolved by the first person a customer speaks to at Barclays, whichever way the customer chooses to contact us.

Basic current account

Since 2015, we have been offering our basic current account, which meets HM Treasury's Memorandum of Understanding on basic bank accounts. There were over 642,000 Barclays basic current accounts open at the end of 2021.

Our basic current accounts provide individuals who may not be eligible for a standard account access to banking including; over the counter services, access to ATMs, and digital banking and free text alerts to manage finances.

Access to a transactional bank account enables consumers to benefit from bill reductions through paying by Direct Debit and access to cheaper goods and services on the internet, which goes some way towards alleviating the poverty premium. If their circumstances change, customers on the basic current account are able to apply for a standard Barclays current account at any time.

Number of basic current accounts

2021	642,468
2020	614,000
2019	577,365

Community accounts

We also provide free banking to over 115,000 small not-for-profit organisations through our community accounts.

Digital accessibility

We aim to ensure that our digital services are easy to see, hear, understand and use for all customers, including those with disabilities. AbilityNet (a leading UK disability charity) has independently accredited for accessibility the key journeys of our online banking website and mobile app during 2021.

We have strengthened accessibility requirements within our procurement processes, recognising the importance of partnering with suppliers and giving clear expectations.

We seek to deliver digital services and workplace tools that promote disability inclusion and meet accessibility requirements set out in the Web Content Accessibility Guidelines (WCAG) 2.1 AA level.

ESG: Social continued

Barclays mortgages and first-time buyers

In 2021, we helped over 150,000 customers take out a mortgage or further borrowing on their property. This included over 48,000 first time buyers who we helped get onto the property ladder, up 92% from 2020, and the highest number in our history. We have continued to support customers with their home buying needs and have had a record performance in mortgage completions during 2021.

In April 2021, we launched new mortgage products under the government's Mortgage Guarantee Scheme, enabling us to offer 95% loan to value mortgages to customers buying their first property or looking to move home.

Our Family Springboard Mortgage allows homebuyers to secure a mortgage with the help of family or friends, while allowing the 'helper' to earn interest at the same time. Homebuyers can obtain a mortgage with only a small deposit or even no deposit. This helps them buy their property sooner than they would otherwise be able to, provided that their helper (typically parents) deposit 10% of the property purchase price in a Helpful Start account for five years. Subsequently the funds are released back to the helper.

2021 Highlights

UK Mortgages issued or further borrowing on their property

£33.9bn
150,000

Number of First Time Buyers

48,000
(2020:) 25,000

Financial inclusion in our US consumer business

The Community Reinvestment Act (CRA) is a US federal law designed to encourage commercial banks and savings associations to help meet the needs of borrowers in all segments of their communities, including low and moderate-income neighbourhoods. Congress passed the Act in 1977 to reduce discriminatory credit practices against low-income neighbourhoods, a practice known as red-lining.

The Act instructs the appropriate federal financial supervisory agencies to encourage regulated financial institutions to help meet the credit needs of the local communities in which they are chartered, consistent with safe and sound operation (Section 802).

To enforce the statute, federal regulatory agencies examine banking institutions for CRA compliance, and take this information into consideration when approving applications for new bank branches or for mergers or acquisitions (Section 804).

Barclays meets the CRA requirement by supporting and investing in local small businesses and non-profits. The success of the small businesses and non-profits are key to a thriving community.

Barclays has predefined goals with specific performance targets that we must meet each year in order to be considered in compliance with CRA guidelines. Barclays in the US has not only met their respective requirements but exceeded the goals for 2021. Exceeding the CRA performance goals is evidence that Barclays is continuing to invest in the communities in which we live, work and serve.

The Barclays Bank Delaware (BBDE) Compliance function operates and maintains a comprehensive Fair Lending Compliance Management System (CMS).

As part of the CMS, BBDE employees and Board members receive Fair Lending training annually. The BBDE Board reviews and approves BBDE's Fair Lending Statement which communicates zero tolerance on discriminatory practices in BBDE. Upon Board approval, this Statement is communicated annually to all BBDE employees.

BBDE including Barclays US Consumer Bank (USCB) is committed to fair and equitable treatment of all prospective and existing customers without regard to race, sex, colour, national origin, religion, age, marital status, disability, sexual orientation, military status, gender identity, familial status, limited English proficiency, receipt of public assistance income, and good faith exercise of rights under the Consumer Credit Protection Act. We believe Barclays' core values of Respect, Integrity, Service, Excellence, and Stewardship reflect our commitment to fair lending and fair treatment principles and practices. We strive to develop long-term relationships by providing products and services that meet customer needs, avoid causing customer detriment or harm, and place our customer's interests at the heart of our strategy, planning, and decision-making processes.

Economic crime and scams

In what has been a particularly tough year for economic crime and scams across the industry, as scammers have exploited the COVID-19 pandemic; we have increased our efforts to tackle economic crime at all levels. We have supported UK Finance with their national Take Five campaign, to help keep the public safe through a multi-stage educational campaign, with content across our social media, email, in-app notifications and media outreach, we are working to arm our customers with the knowledge they need to spot a scam and prevent themselves from becoming a victim.

Additionally, to help keep our customers safe, we've continued to invest millions of pounds in multi-layered security systems that protect against frauds and scams and implemented functionality across our channels to stop scams before our customers become victims. This includes 'Confirmation of Payee', an account name checking service that helps to make sure payments aren't sent to the wrong bank or building society account, helping to prevent fraudulent or scam payments, and App ID, which allows Barclays colleagues to verify to customers that they're a legitimate caller and not an impersonator by sending push notifications to the customer's Barclays App which includes the call handler's name.

ESG: Social continued

In addition, we are part of the 'Do not originate' scheme, created in partnership with the telecommunications industry, UK Finance and Ofcom, to prevent our most common in-bound helpline phone numbers from being used in a scam.

Participating telephone companies are provided with phone numbers that we use only for in-bound customer calls and never for out-bound. These numbers are then blocked should the telephone companies see them being spoofed by fraudsters.

We are also proud initial signatories of the Contingent Reimbursement Model Code, providing measures to help prevent Authorised Push Payments scams taking place and increased consumer protection standards for customers of signatory firms.

However, the ultimate objective must be to stop scams at source, before the criminals can even reach their victims. As such we are playing a leading role in facilitating greater collaboration across the 'scams ecosystem' (including financial services, telecommunications, online commerce, social media, and other sectors) to deliver a comprehensive and collaborative solution to this urgent societal challenge.

This is why we are founding members of Stop Scams UK, a cross-industry group made up of banks, telecoms and tech firms that have come together to put an end to scams by collaborating, sharing best practices and engaging with the government and regulators to make it harder for scammers to operate.

We are also part of a new dedicated hotline for customers to call if they think they are being called by a scammer. The 159 hotline, created through Stop Scams UK, is a collaboration between nine leading banks that represents 70% of the UK's current account customers and telecoms firms representing 80% of UK mobile phones and landlines.

→ **If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at [fca.org.uk/scams](https://www.fca.org.uk/scams). You can also call the FCA Helpline on 0800 111 6768 or through Action Fraud on 0300 123 2040.**

Social Innovation Facility

The Barclays Social Innovation Facility (SIF) is an internal initiative that incubates ideas for financial products and services which seek to address specific environmental or social challenges in a commercial way.

Social Business case study

The SIF has provided funding and support to the social business proposition, an initiative designed to enhance our existing support for the social business sector within Barclays' Business Bank. Through this proposition, launched in November 2020, we are able to offer social businesses the support they need to grow their impact with specialist expert support, access to finance, practical business mentoring and project delivery, enabling us to proactively promote products and services, further support this sector, and build our reputation by driving positive impact.

Social businesses are created to make a positive impact against some of the key social and environmental challenges the world faces, best outlined by the UN SDGs. They aim to represent a

dynamic, ethical and more sustainable way of doing business, with impact driving their business models. These types of businesses reinvest their profits back into creating the impact they're striving to achieve. A rapidly-growing sector, social businesses have diverse business models that range from purely charitable to strongly commercial, from local enterprises to scale-ups with UK-wide and often global potential.

As part of the social business proposition, we supported the launch of a flagship publication in the social business sector from Social Enterprise UK (SEUK).

The SEUK State of Social Enterprise Report 2021 provides insight as to the state of the social enterprise sector in the UK. The report notes key points including the record-breaking 12,000 social enterprises founded during the COVID-19 pandemic; and the contribution social enterprises in the UK bring to the economy and employment, contributing £60bn and employing two million people.

SIF Highlights

Ventures supported since 2015

32

Products launched since 2015

10



ESG: Social continued

With nearly 7,000 companies from more than 26 countries supplying us, our supply chain helps our businesses deliver for our customers, clients and colleagues.

Our supply chain

2021 Highlights

Global spend with diverse suppliers

8%

(2020: 8%)

Prompt payment rate

90%

(2020: 88%)

With nearly 7,000 companies^a from more than 26 countries supplying us, our supply chain helps our businesses deliver for our customers, shareholders and colleagues. Though our businesses are geographically diverse, nearly 90% of our third-party spend is concentrated in the UK and the US with many of our suppliers having their own extensive supply chains, we connect to thousands more businesses and employees worldwide.

Our supply base is diverse across scale, ownership type and structure from privately-held start-ups to publicly-listed multinational corporations.

Although Barclays has sought to reduce the size of its supply chain over recent years which resulted in a reduction of our supplier numbers in 2021, our focus has been on establishing a preferred supplier list for products and services that ensures adequate geographical coverage and at the same time, creates opportunities for our diverse suppliers^b which encompass small or medium-sized enterprises and diverse-owned^c businesses.

ESG in the supply chain

As part of the Group's ESG strategy, we are focused on environmental and social responsibility in our supply chain, initially across three pillars of diversity and inclusion, the environment and modern slavery.

We aim to encourage transparency and inclusive cultures, without the opportunity for modern slavery to exist while reducing the environmental impact of our business.

Third-party operational and reputational risk management

Barclays' expects our suppliers to comply with all applicable laws, regulations and standards within the geographies in which they operate.

Supplier relationships are assessed and managed based on the inherent risk posed to Barclays through provision of the services. We expect higher risk categories of suppliers to operate in accordance with our Third Party Code of Conduct (TPCoC). The Barclays Supplier Control Obligations (SCOs) and TPCoC are published on the Barclays website for all new and existing suppliers to view and are refreshed regularly to meet Barclays' current standards and the latest regulatory requirements.

Additionally, on an annual basis, suppliers categorised as higher risk must attest to their ongoing aim to meet the expectations placed upon them within the TPCoC and, where they are unable to meet these expectations, remediation must be progressed in order for the relationship with the supplier to remain in good standing.

The Barclays SCOs set forth expectations of suppliers considered Material Outsourcing, Important, High or Limited risk across several risk categories including Complaints, Data Privacy, End-User Developed Applications, Health and Safety, Information and Cyber Security, Payments Processing, People Screening, Physical Security, Records Management, Resilience and Technology risk, Data Management, Digital Accessibility and Transaction Operations.

The Barclays TPCoC is informed by the Global Reporting Initiative, an international set of voluntary standards, and sets forth our minimum expectations with regard to environmental management, human rights, diversity and inclusion, societal responsibility, product responsibility, whistleblowing and working in accordance with the Barclays Values. In instances where standards outlined in the TPCoC differ from local laws and customs, we expect suppliers to respect these standards within the context of the customs and the local laws of their specific geography.

Notes

- Includes non-addressable spend and One Time Vendors (OTV).
- Spending between Barclays and diverse suppliers is considered first-tier spending. Spending between Barclays' first-tier suppliers that can trace subcontracted spend with diverse suppliers on Barclays-specific work is considered second-tier direct spending.
- For Barclays, a diverse supplier is either diverse by size – a micro, small or medium-sized business – or diverse by ownership – generally 51% owned, controlled and operated by ethnic minorities, women, LGBT+, military veterans, persons with disabilities or social enterprises.

ESG: Social continued

For our higher risk suppliers, their adherence to the SCO and TPCoC is captured pre-contractually via a Pre-Contract Supplier Assurance Attestation (Pre-SAA). Any control gaps or weaknesses are captured in the Sourcing Risk Log which is submitted to the relevant subject matter expert who will opine on the appropriate course of action, based on the level of risk associated with the control gaps. Some of the gaps will be remediated before contract, some will be conditions of the contract and others will be accepted within the Barclays risk appetite and approved by the subject matter expert. Post-contractually, on an annual basis, Barclays seeks ongoing assurance from the supplier that SCO controls continue to be designed and operating effectively.

The assurance approach used is agreed based on the inherent risk associated with the supplier or service(s) provided and may take the form of on-site testing, remote desktop testing or a supplier attestation, or any combination of these approaches.

Any control gaps or weaknesses identified are reviewed with the relevant Barclays Executive accountable for the supplier relationship and subject matter experts and remediation actions are agreed, monitored and tracked to completion.

In 2022, we will be strengthening our TPCoC for our higher risk ESG service providers. We are also evaluating how to strengthen the ESG requirements in our contractual and purchase order terms and conditions to be applied to all service providers regardless of risk rating.

Prompt Payment Code UK

Prompt payment is critical to the cash flow of every business, and especially to smaller businesses within the supply chain as cash flow issues are a major contributor to business failure. Barclays is a signatory to the Prompt Payment Code in the UK. We aim to pay our suppliers within clearly defined terms, and to help ensure there is a proper process for dealing with any issues that may arise. We measure prompt payment globally by calculating the percentage of third-party supplier spend paid within 45 days following invoice date, or receipt date if the invoice is received late (45 days from the invoice date and where a purchase order was raised ahead). The measurement applies against all invoices by value over a three-month rolling period for all entities where invoices are managed centrally.

The need to promptly pay our diverse suppliers became even more important during the COVID-19 pandemic. Barclays established a process to expedite the payments for diverse suppliers at this critical time. In 2021, Barclays made payments to them within an average of eight days from receipt of their invoice.

In 2021, we achieved 90% (2020: 88%) on-time payment to our suppliers (by invoice value), exceeding our public commitment to pay 85% of suppliers on time (by invoice value).

The Duty to Report on Payment Practices and Performance UK Legislation requires reporting on a six-month rolling average, by volume, where we measure percentage of payments made in line with contractual payment terms. Under this definition we paid 89% of UK invoices on time during 2021.

Climate change initiatives in our supply chain

As part of our ambition to be a net zero bank by 2050, we are aiming to reduce emissions associated with the products and services we purchase. That starts with aligning our suppliers with the goals of the Paris Agreement.

We are adopting a staged approach to achieving this ambition, working with key service providers to establish and disclose GHG^a emissions and help to set science-based GHG reduction targets^b. Given the extent and diversity of our supply base, we will prioritise our work and will focus our efforts initially with those suppliers with more significant GHG emissions. By 2025, it is our aim that service providers covering 70% of Barclays' addressable spend will be reporting their GHG emissions and will have science-based plans in place.

Since 2016 we have been working with the Carbon Disclosure Project (CDP) to obtain greenhouse gas emissions data from our suppliers. In 2021 we achieved a 90% response rate from those suppliers invited to report their greenhouse gas emissions through CDP, which represents 48% of our addressable spend.

Diversity and inclusion in our supply chain

Barclays believes that diversity and inclusion within the supplier portfolio expands our ability to attract and harness innovative, disruptive solutions in the market that complement our own capabilities, while simultaneously creating economic opportunities for wider, under-represented segments of society. It's why we launched our first Global Supplier Diversity and Inclusion (GSDI) initiative in 2013.

As part of our GSDI initiative, in 2021, 8% of our global addressable spend was placed with small and medium-sized enterprises and diverse-owned businesses as measured by first- and second-tier direct spending. Ownership-diverse businesses are majority owned, controlled and operated by protected class groups, as defined by local governments, such as women, ethnic minorities, LGBT, veterans, service-disabled veterans, persons with disabilities and for-profit social enterprises.

In support of the GSDI, Barclays is a corporate member of, and plays a leading role with, some of the most prominent domestic and international diverse supplier certification organisations including National Minority Supplier Development Council (nmsdc.org), Women's Business Enterprise National Council (wbenc.org), WeConnect International (weconnectinternational.org), National LGBTQ Chamber of Commerce (nglcc.org), National Veteran Owned Businesses Association (NaVoba.org), Minority Supplier Development UK (msduk.org.uk), Disability:IN (disabilityin.org) and Social Enterprise UK (socialenterprise.org.uk).

In an effort to increase the amount of private and public growth capital made available to diverse-owned businesses, Barclays awarded \$100,000 to the National Minority Supplier Development Council to assist in the creation of a new system of capital-access.

By 2025, we are aiming to double our spend with Black and Women majority owned businesses, with overall spend with diverse-owned businesses growing to 10% of Barclays annual global addressable spend. In addition, the aim is for service providers which make up 70% of our addressable spend, to have a diversity and inclusion policy or standard in place by 2025.

Notes

- The Greenhouse Gas Protocol Initiative is a multi-stakeholder partnership of businesses, non-governmental organisations (NGOs), governments, and others convened by the World Resources Institute (WRI) and the World Business Council for Sustainable Development. Launched in 1998, its mission is to develop internationally accepted greenhouse gas accounting and reporting standards for business and to promote their broad adoption.
- Science-based targets are a set of goals developed by a business to provide it with a clear route to reduce greenhouse gas emissions. An emissions reduction target is defined as 'science-based' if it is developed in line with the scale of reductions required to keep global warming below 2°C from pre-industrial levels and pursuing efforts to limit warming to 1.5°C (Paris Agreement). 2,000+ companies work with the Science Based Targets initiative.

ESG: Social continued

Modern slavery in our supply chain

We believe we are at our most effective when we deploy finance to support people and businesses in a way that is responsible, transparent and makes a real and lasting difference to the lives of those we serve, our colleagues, and the communities in which we live and work. We understand that the nature of our business means we may be exposed to modern slavery risks across our operations, supply chain, and customer and client relationships. Barclays does not tolerate modern slavery, human trafficking or forced labour. We are committed to trying to identify and seeking to address these risks across our value chain.

We have a robust process that aims to ensure we only work with appropriate suppliers who can meet the standards that we expect. Our contracts expect all suppliers to comply with all applicable laws and regulations and in addition, we expect higher risk categories of suppliers to operate in accordance with our TPCoC. This outlines how we manage human rights in our supply chain by encouraging behaviours and practices consistent with our own policies and is owned by Barclays' Chief Procurement Officer.

In 2021, in accordance with the recommendations from the Independent Anti-Slavery Commissioner in relation to the role of the financial sector in eradicating modern slavery, we have undertaken a review of our IT manufacturing supply chain. We will seek to identify any risks or issues arising from this review and consider whether any further action is required.

By 2025, we aim to have service providers that make up 70% of our addressable spend^a to have a Modern Slavery policy or standard in place.

Notes:

- a. Addressable spend is defined as external costs incurred by Barclays in the normal course of business where Barclays has influence over where the spend is placed. It excludes costs such as regulatory fines or charges, exchange fees, taxation, employee expenses or litigation costs.



Social and environmental financing

As a diversified financial institution, a significant part of our impact, both positive and negative, is through the financing and lending services we provide to customers and clients. This section provides an overview of sustainable financing solutions across our consumer and wholesale businesses, tracks performance against our sustainable finance commitments, and sets out how our processes are designed to help mitigate the potential negative environmental and social impacts of our lending and financing.

ESG: Social and environmental financing continued

Continued progress against our sustainable financing commitments.

Sustainable financing

Barclays continued to make significant progress in 2021 against our target to facilitate £150bn of social, environmental and sustainability-linked financing from 2018 to 2025. On a cumulative basis, by year-end 2021, we have facilitated £193.3bn^a of social, environmental and sustainability-linked financing since 2018, exceeding our target four years early.

Social and environmental financing consists of labelled issuances, dedicated 'use of proceeds' financing, and financing for clients with an eligible business mix in relevant environmental and social categories. In contrast, sustainability-linked financing refers to general-purpose funding linked to specific sustainability performance metrics. Further details on our social and environmental criteria is available in the Barclays Sustainable Finance Framework within the ESG Resource Hub.

We have also accelerated progress against our target to facilitate £100bn of green financing from 2018 to 2030, which is a sub-set of our target to facilitate £150bn of social, environmental and sustainability-linked financing, focused on environmental use of proceeds and sustainability-linked criteria.

We continue to expand our sustainable finance offering through our specialist teams and to integrate sustainability into our service offering. There remains a very significant opportunity for Barclays across social and environmental financing, both through lending from our balance sheet and origination through the capital markets.

Facilitate £150bn of social, environmental and sustainability-linked financing

We facilitated £69.2bn^a of social, environmental and sustainability-linked financing in 2021, up 14% from £60.9bn in 2020.

Debt issuance was the largest product category again this year accounting for 74% of the total (2020: 81%). Loans and equity accounted for 19% (2020: 15%) and 7% (2020: 4%) respectively. The remaining 0.3% consisted of investments and contingent.

52% of our financing in 2021 was for clients in the UK and Europe (2020: 47%), 39% was in the US (2020: 49%) and 9% in Asia and the rest of the world (2020: 4%).

Social financing

Raising finance for supranational, national and regional development institutions continued to be a key driver of the £35.7bn^a in social financing facilitated in 2021 contributing 52% of the total social and environmental financing. Issuers continued to access the sustainable capital markets during 2021, with increased growth in the labelled social bond market.

Although relatively new, we have seen issuers aligning their financing commitments with their social targets, such as gender diversity, affordable housing and access to essential services. For example, we have seen significant growth in the sustainable capital markets with regard to the UK social housing sector, with supply supported by global capital flows, as well as increased domestic investor appetite.

Environmental financing

Our environmental financing consists of labelled, 'use of proceeds' and business mix financing in environmental categories. In 2021, it grew by 53% to £22.6bn^a versus £14.8bn in 2020 reflecting the strong increase in demand for environmental financing and our strategy to work with our clients and customers to help facilitate their transitions towards a low-carbon economy. We helped the UK Government issue its £10bn green gilt and acted as lead manager on seven out of eight inaugural syndicated green bonds issued by European sovereigns since 2017^a.

Sustainability-linked financing

In addition to dedicated 'use of proceeds' transactions where financing is allocated to specific eligible green, social or sustainable activities, projects or assets, sustainability-linked bonds (SLBs) and sustainability-linked loans (SLLs) are forward-looking, performance based debt instruments issued with specific key performance indicators and sustainability performance targets at the level of an entire entity.

Our sustainability-linked financing totaled £10.8bn^a in 2021, up 118% from £5.0bn in 2020. The SLB market grew significantly in 2021^b. Investors and issuers alike are using these instruments to embed their sustainability targets into financing commitments.

Facilitate £100bn of green financing

We facilitated £29.8bn^a of green financing in 2021, up 70% from £17.6bn in 2020 and comprised of:

- labelled, 'use of proceeds' and business mix financing in environmental categories (£22.6bn^a in 2021), and
- sustainability-linked financing that incorporates environmental performance targets (£7.2bn^a in 2021).

Since 2018, a total of £62.2bn^a has been facilitated across these categories, with significant momentum across our businesses, products and geographies.

Breaking down our green financing by product type, the largest product category was debt, accounting for 63% (2020: 70%) of the total. Loans and, equity made up 21% (2020: 21%) and 15% (2020: 9%) respectively, while the remaining 1% (2020: 0%) consisted of investments and contingent.

49% of our financing in 2021 was for clients in the UK and Europe (2020: 51%), while 43% was in the US (2020: 45%) and 8% in Asia and the rest of the world (2020: 4%).

Notes

^a 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/.

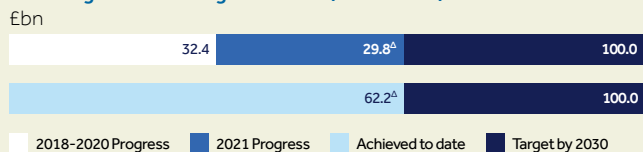
a. Sourced via Bond Radar.

b. Sourced via Dealogic.

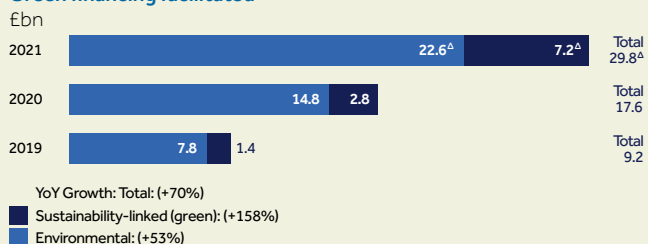
ESG: Social and environmental financing continued

Sustainable financing dashboard

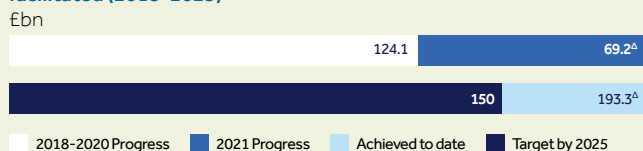
£100bn green financing facilitated (2018–2030)



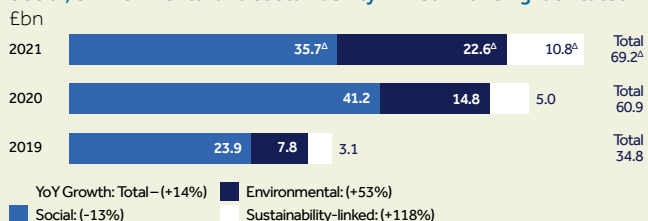
Green financing facilitated



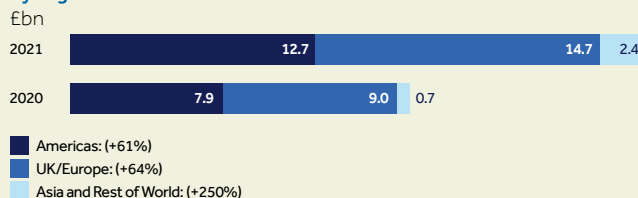
£150bn social, environmental and sustainability-linked financing facilitated (2018–2025)



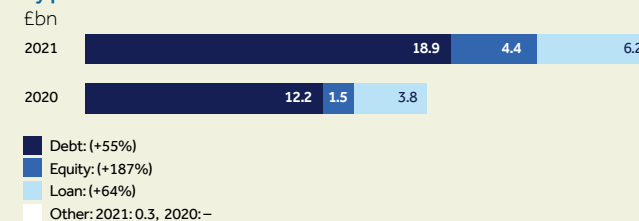
Social, environmental and sustainability-linked financing facilitated



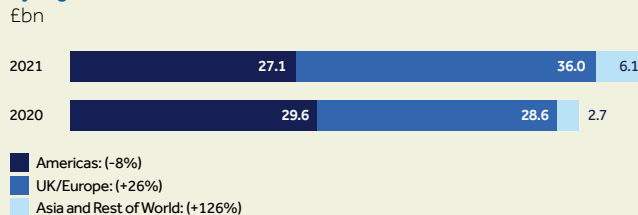
By region



By product



By region



By product



Δ 2021 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Refer to the ESG Resource Hub for details: home.barclays/sustainability/esg-resource-hub/. Further details of the data provided, including further granularity of decimal points can be found in the ESG Data Hub located within the ESG Resource Hub at home.barclays/sustainability/esg-resource-hub/.

ESG: Social and environmental financing continued

Sustainable financing methodology

Our sustainable financing is tracked using the methodology set out in the Barclays Sustainable Finance Framework. The Framework provides clear green and social eligibility criteria and covers 'dedicated purpose' green and social financing, 'general purpose' financing based on eligible company business mix and sustainability-linked financing. As innovation in sustainable finance continues to accelerate, we will keep our Framework under review.

It should be noted that the methodology is reliant on a range of data sources including Dealogic and Bloomberg transaction listings and league tables, as well as other third-party data sources including company disclosures to aid the classification of financing into eligible green and social categories. We recognise that the quality of the data relied upon is not yet of the same standard as more

traditional financial metrics and presents an inherent limitation to the performance reported. We will continue to review available data sources and enhance our methodology and processes to improve the robustness of the performance disclosed.

The legal and regulatory landscape relating to sustainable financing, including the naming and categorisation of products as 'green', 'social', 'sustainability-linked' and otherwise, is rapidly evolving and there are differing approaches across jurisdictions. We continue to review and develop our approach to sustainable finance as this subject area matures.



For further details on Barclays Sustainable Finance Framework, see the ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/.

Barclays green home mortgages

Barclays was one of the first UK lenders to launch a green mortgage product in 2018, and to date we have completed over £1bn in green home mortgages.

The Barclays green home mortgage offers residential homebuyers lower interest rates for new-build properties with an energy efficiency EPC band of A or B, compared to our standard products. In April 2021, we expanded the eligibility criteria of our green home mortgage to include any new build properties meeting energy efficiency requirements. Previously the proposition was available for properties built by a panel of 14 house builders. In January 2022, we expanded our green home mortgages further extending the eligibility to customers purchasing a new build energy efficient buy-to-let property.

Following the significant growth in green mortgages, we continue to look at ways we can give customers more options to make sustainable choices when it comes to their home. Green mortgages are currently only available for the purchase of new build homes, so older homes are not eligible for a Barclays green home mortgage. We know that, for the UK to achieve its ambition of becoming net zero by 2050, the residential housing stock needs to be made more energy efficient, and this means homeowners need to retrofit their homes with energy efficient measures. We are working to explore how we can best help our customers take steps towards making their homes more energy efficient.

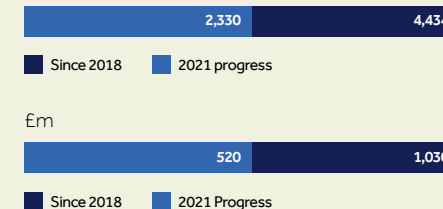


Further details on Barclays Green Home Mortgages can be found at: barclays.co.uk/mortgages/green-home-mortgage/



Further details on Barclays Buy-To-Let Mortgages can be found at: barclays.co.uk/mortgages/green-buy-to-let-mortgage/


Green mortgage completions

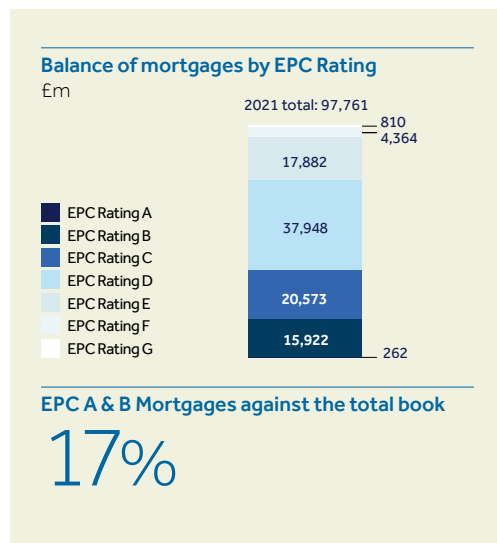


ESG: Social and environmental financing continued

Our UK mortgages by EPC rating

Barclays UK regularly monitors the Energy Performance Certificate (EPC) rating of its mortgage portfolio, to support our management of climate risk and our understanding of the impact of our financing on the environment. As of the end of Q3 2021, a valid EPC rating was available for 62% of our mortgage book by value. Of which, 38% were rated EPC C or better.

 For further details on our mortgage scenario analysis on EPC ratings, see the scenario analysis section of the TCFD Report at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/



Sustainable Impact Capital Programme


Our Sustainable Impact Capital Programme, led by the Barclays Principal Investments team in Treasury has a mandate to invest up to £175m of equity capital in sustainability-focused start-ups by 2025, helping to accelerate our clients' transition towards a low-carbon economy.

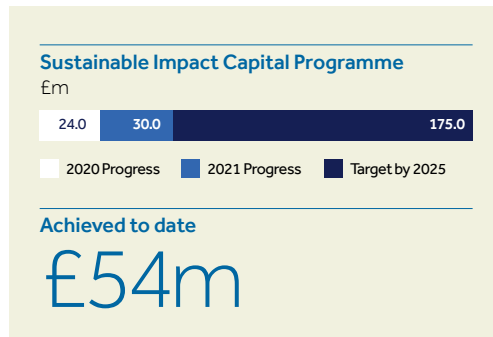
From the acceleration of innovative carbon-efficient technologies and supply chains to supporting the development of viable markets for carbon capture and sequestration, the Programme is seeking out and supporting clear, scalable propositions that deliver both environmental benefits and economic returns.

Through the Programme, we aim to fill growth stage funding gaps to help accelerate and scale catalytic and strategic solutions to environmental challenges.

The Programme has made meaningful progress towards its five year trajectory to meet our target by building a portfolio of strategic investments which have a focus on reducing carbon footprints and accelerating the transition towards a low-carbon economy. £54m of the £175m overall target has been deployed since 2020, with £30m invested in 2021, up 25% from 2020.

In 2022, the Programme will continue deploying capital to foster innovation to support Barclays' net zero ambition.

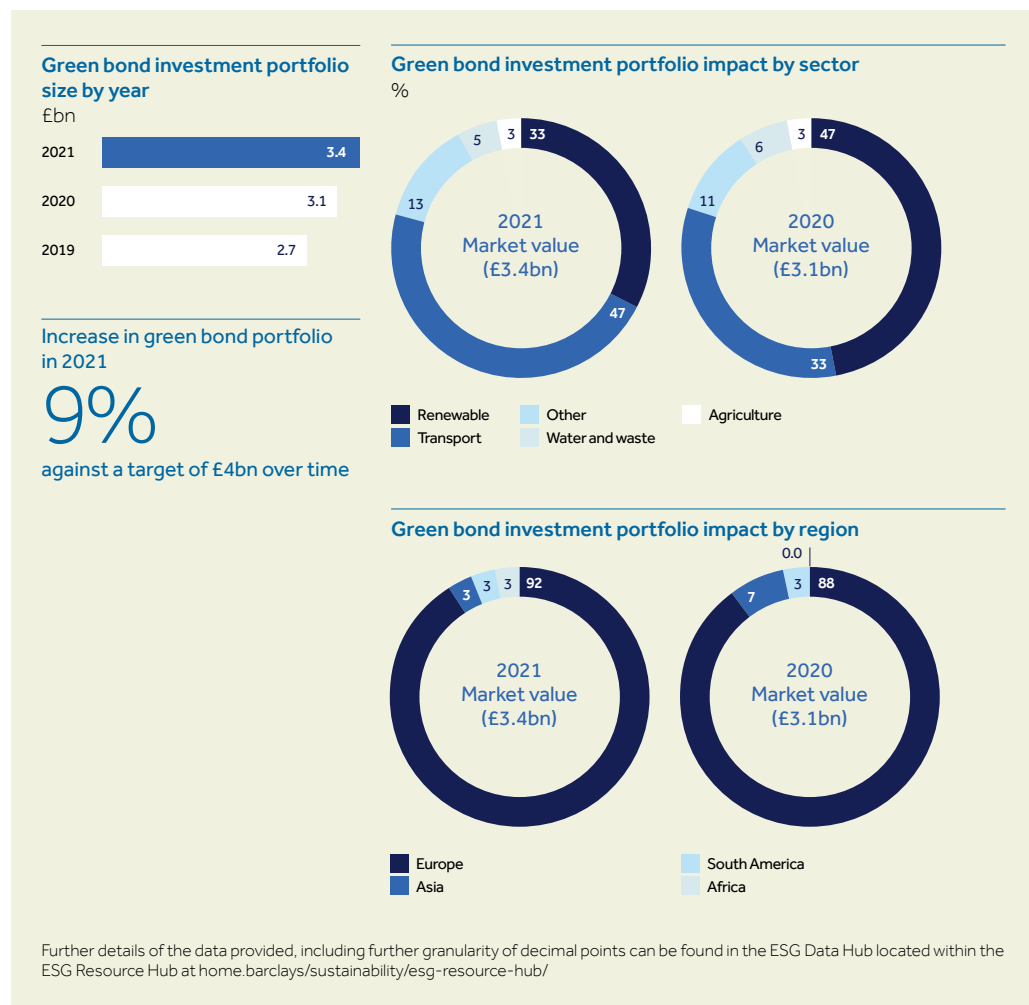
 Further examples of our green innovation financing can be found at: home.barclays/sustainability/our-position-on-climate-change/accelerating-the-transition/sustainable-impact-capital/



Green Bond Investment Portfolio

As an investor, we have continued to expand our ESG portfolio during 2021. Issuance volume within the market grew strongly and was driven by sovereign names, with notable debut issuances from the

European Union and the UK Government, both of which Barclays' Treasury invested in. With increasing focus on the environmental agenda, we see very strong growth opportunities for the green bond market, and we aim to reach our £4bn target portfolio size in the near term.



ESG: Social and environmental financing continued

We are supporting clients across the spectrum, expanding our sustainable finance offering through our specialist teams.

Developing and deploying finance solutions

Corporate and Investment Bank

We are blending the existing expertise and relationships in our coverage groups with new, specialised teams focused on sustainable finance growth areas, providing enhanced and integrated solutions for our clients.

The transition to a low-carbon economy is today's defining opportunity for innovation and growth. There is a significant opportunity for Barclays to play a leading role in helping to meet the demand for climate change related financing. The financial sector has a critical role to play in supporting the economy to reach this goal. It is estimated that at least \$3-5 trillion^a of additional investment will be needed each year, for the next 30 years, in order to finance the transition.

Our Corporate and Investment Bank supports the renewable energy and clean technology sector, offering strategic advice and facilitating access to finance for renewables including wind and solar energy storage solutions and other innovations that will support the transition towards a low-carbon economy. We also continue to enhance our focus on the development of green product structuring capabilities in the capital markets, including green 'use of proceeds' bonds and sustainability-linked financing instruments.

Supporting clients across the spectrum



Notes

a. \$3-5 trillion as estimated in the GFMA/BCG (Global Financial Markets Association/Boston Consulting Group) Climate Finance Markets and the Real Economy report, December 2020.

ESG: Social and environmental financing continued

Sustainable Capital Markets

The Sustainable Capital Markets team is embedded into Barclays' wider capital markets team within the Investment Bank. This global team offers a broad range of ESG capital market product types and delivers across multiple client segments to help clients finance their sustainability journeys and formalise their sustainability commitments. The team focuses on underwriting and structuring green, social and sustainability use of proceeds bonds, and sustainability-linked bond issuance. The team continued to execute a range of landmark transactions in 2021 such as helping the UK Government issue its £10bn green bond.

Sustainable and Impact Banking

The Sustainable and Impact Banking team is a dedicated sector coverage team focused on advising and raising capital for emerging climate technology companies across four key verticals: clean energy, sustainable materials and recycling, food and agriculture tech and water. The team also advises our existing banking clients on their energy transition via our ESG advisory. Regular interaction with ESG funds and other stakeholders inform our client dialogue.

Corporate Bank Sustainable Product Group

The Sustainable Product Group focuses on increasing sustainability related dialogue with our Corporate Bank clients as well as delivering a broad range of green and sustainable banking products. In addition to corporate and project financing in 2021, the team has expanded our Corporate Bank's offering to include green and sustainability-linked trade, debt and fund financing products. The Sustainable Product Group offer Corporate Bank clients connectivity with other teams in the Corporate and Investment Bank and wider Group.

ESG across our Research teams

Barclays Research has made significant investments to grow its ESG research capabilities and thought leadership. We hired a Global Head of Cross Asset ESG Research at the beginning of year who built a new ESG Research team of subject matter experts to support the consistent integration of ESG and sustainability considerations across all our research and investment recommendations. Our approach to ESG research is differentiated in two ways, yielding much broader-based engagement with ESG issues and higher quality insights for our investor clients.

The team aims to combine their existing deep understanding of sectors and businesses to help drive forward-looking ESG investment insights, deliver expertise and that the latest technical sustainability knowledge is informing our research in conjunction with the wider global research department.

This aims to enable the critical assessment and sourcing of the most appropriate ESG information and data and drives in-depth materiality assessments in collaboration with coverage analysts. There have been around 350 ESG-focused research reports published in 2021, and also over 650 bottom-up, company-specific ESG profiles published to date.

Our expectation that topics such as climate change, biodiversity as well as other sustainability themes and specific ESG attributes will continue to grow in importance, and that the global momentum behind ESG investing will continue at pace, making it an essential requisite for a large and growing number of investors.

Treasury green activities

Barclays Treasury plays a key role in enabling Barclays to meet its climate goals by allocating, managing and governing its financial resources effectively.

We believe that integrating environmental considerations into our financial resource management by partnering with, and encouraging business areas to advance strategic climate objectives is a key lever in the transition towards a low-carbon economy. For example,

Treasury currently provides funding incentives for green asset origination, and is also developing our approach to incorporating green considerations in our capital management and stress testing.

In partnership with the Sustainability and ESG team, Treasury supports the development and management of ESG governance frameworks. For example, Treasury structured the Barclays Green Issuance Framework and organises the day-to-day implementation such as facilitating the Barclays International and Barclays UK Green Bond Committees, the bodies with delegated authority for approving green liability programmes and associated issuance allocation.

Strategic green transactions

Treasury partners with businesses to originate, structure and execute strategic green transactions in order to support climate objectives. This includes strategic investments into innovative companies developing new technologies which can support our customers and clients in adapting to climate change challenges through the Sustainable Impact Capital Programme; for further details see page 72. We also invest in and hold green bonds within our liquid asset buffer, and have issued MREL from Barclays PLC where the proceeds of issuance are used to support Eligible Assets as defined in the Barclays Green Issuance Framework.

Other examples include the structuring of innovative liability programmes and bespoke transactions such as the Green Structured Notes (GSN) and the StatECA Repack Platform to provide differentiated green investment opportunities for our investors.



Further details on our treasury green activities can be found at: <https://home.barclays/greenbonds/>

Green Structured Notes

The GSN Programme was launched in 2021 as a partnership between Equities and Treasury to expand our green product offering for clients.

- GSN combines a derivative style payoff (equity-linked to green indices) with the proceeds of issuance being used to support Eligible Assets as defined in the Barclays Green Issuance Framework,
- the proceeds of the GSNs will be used to support a portfolio of Eligible Assets which are originated by Barclays Bank PLC in the ordinary course of its business, and will be verified by a third-party verification agent. Any GSN proceeds in excess of the amount of available Eligible Assets from time-to-time will be invested in cash and short-term, liquid investments until additional Eligible Assets become available,
- the indices utilised in the GSN have been selected in accordance with the Barclays Green Index Selection Principles,
- the main benefit of the GSN is the ability to offer Investors a differentiated green investment opportunity whereby both the embedded derivative (on the equity-linked underlying indices) and use of proceeds of the issuance meet environmental objectives, and
- the offering leverages Barclays' existing Green Bond issuance capability and Barclays' experience in equity derivatives.

ESG: Social and environmental financing continued

StatECA Repack Platform

The StatECA Repackaging Platform is a partnership between the Corporate Bank and Treasury which promotes sustainable lending in CIB by reducing the cost of funding for Export Credit Agency guaranteed green loans. Eligible loans are repackaged into tradable notes; generally highly rated by credit rating agencies which are used as eligible collateral for other transactions.

Private Bank Responsible Investing

We view responsible investing as an important part of our investment strategy. This involves engagement and voting, as well as incorporating ESG factors (amongst others) into investment analysis and decisions. This assists us with our efforts in managing and mitigating ESG risks which can materially impact long-term company and portfolio returns.

Discretionary Portfolio Management

Our Discretionary Portfolio Management^a offering sits at the core of the Private Bank's long-term strategy. The analysis of ESG factors forms an important part of our investment due diligence for all of our Private Bank discretionary investment strategies globally^b. We believe that ESG provides insights into the operational quality of a business and its ability to mitigate against risks to future cash flow, and thereby helps us to make better investment decisions.

Launched in 2018, our Sustainable discretionary strategy invests in companies that generate revenues from products and services that help to address the United Nation's SDGs.

Engagement and voting

Through our partnership with EOS at Federated Hermes (EOS) since Q2 2021 in the UK, Barclays Private Bank has been embedding a comprehensive approach to stewardship, engaging and voting globally with corporates and key stakeholders, such as policymakers and regulators. EOS is a stewardship leader that helps long-term institutional investors around the world to meet their fiduciary responsibilities and become active owners of public companies.

Our engagement with corporates takes place through our partnership with EOS at board and senior executive level, covering a range of topics such as climate change, executive pay, human rights and labour rights including modern slavery. We seek to highlight key ESG issues of concern, engaging investee companies on matters relevant to shareholder value and the wellbeing of stakeholders.

During the peak voting season in Q2 2021, through our partnership with EOS, we voted at 28 shareholder meetings, supporting management on 85% of the resolutions we voted on. This reflects our approach of promoting constructive dialogue with our investee companies by building long-term relationships to seek to influence ESG practices. We also engaged with companies held in our discretionary strategies on a range of ESG topics including strategy, risk and communication.

Wealth Management and Investments

Wealth Management and Investments factors responsible investing into our discretionary portfolio and fund investment solutions. We aim to assess every active investment manager that we research for its ESG credentials. Examples of the areas that we assess include how ESG is incorporated at the group level within the fund management firms, how ESG risks and opportunities are considered in their investment processes and which personnel are focused on this topic. Additionally, we will endeavour to review the underlying companies that the external funds invest in to look to check those holdings are consistent with what we would expect having made these assessments of the fund managers' philosophy and processes.

Ultimately, we award an ESG rating for every fund that we recommend or invest in. As a result of these steps and more, Barclays Asset Management Ltd (BAML) has served as our signatory to the UN supported Principles for Responsible Investment (PRI) for the last three years, and has achieved an 'A' score for investment modules in our last annual submission in relation to the PRI.

Leveraging our partnership with EOS, we engage with the underlying companies that we hold in our portfolios and we also exercise our proxy votes on the underlying equity holdings. Furthermore we support the aims of other ownership commitments, such as the UK Stewardship Code, of which we aim to become a signatory in 2022.

While our policy is to apply the measures above across our investment solutions, for those clients seeking a product that explicitly targets positive environmental and social outcomes, we manage and offer a retail fund called the Barclays Multi-Impact Growth Fund. It brings together a range of external funds, in both equities and bonds, each of which focuses upon holding companies that aim to have a positive impact on either the environment or society.

Retail banking

Sustainability is a key focus area for Barclays UK. We want to help customers by creating opportunities for them to implement green changes. We are actively engaging with our retail customers to better understand how we can provide greener solutions to meet their needs.

We are working closely with our partners such as Barclays Partner Finance on key focus areas to help customers on their journey from education to implementing solutions. We are focusing on creating and curating opportunities to enable customers to improve the energy efficiency of their homes, tracking and offsetting their carbon footprint and making more sustainable choices in their day-to-day spending. By working collaboratively under a unified strategy across Barclays UK, we aim to further expand our green products and propositions to meet customers' aspirations.

➔ [Further details on Barclays green home mortgages can be found on page 71.](#)

Notes

a. [Privatebank.barclays.com/what-we-offer/investments/discretionary-portfolio-management/](https://privatebank.barclays.com/what-we-offer/investments/discretionary-portfolio-management/).

b. With the exception of services provided in India.

ESG: Social and environmental financing continued

Appropriate management of environmental and social impacts helps to ensure the longevity of our business and our ability to serve our clients.

Managing impacts in lending and financing

We recognise that we have a responsibility to proactively identify and address the adverse impacts that we may be linked to through the provision of financial services to our customers and clients.

Our assessment of environmental and social risks not only helps safeguard our reputation, ensuring longevity of the business but also enhances our ability to serve our clients and support them in improving their own sustainability practices and disclosures.

Managing social and environmental risks

Social and environmental risks are governed and managed through our Enterprise Risk Management Framework (ERMF), setting our strategic approach for risk management by defining standards, objectives and responsibilities for all areas of Barclays. The ERMF is complemented by a number of other frameworks, policies and standards, all of which are aligned to individual Principal Risks.

Our Climate Change Statement sets out our approach to managing the impact of our climate-related activities. We have developed internal standards to reflect these positions in more detail, including for Forestry and Agricultural Commodities, World Heritage and Ramsar Wetlands and Defence and Security. These standards sit under the management of Reputation risk in the ERMF. These standards determine our approach to climate change and relevant sensitive sectors and are considered as part of our existing transaction origination, review and approval process.

Enhanced Due Diligence

Our standards include an enhanced due diligence approach for certain clients, including clients operating in energy sub-sectors covered by our Climate Change Statement. This includes all clients involved in thermal coal, oil sands, arctic projects and hydraulic fracturing ('fracking').

All in-scope clients in these sub-sectors must be assessed annually via a detailed due diligence questionnaire, which is used to evaluate their performance on a range of environmental and social issues, and may be supplemented by a review of client policies/procedures, further client engagement and adverse media checks as appropriate. This annual review generates an Environmental and Social Impact (ESI) risk rating (low, medium, high), which in turn determines whether further review and client engagement may be required throughout the year.

For clients with a medium or high ESI rating further risk assessment is undertaken prior to execution of transactions with those clients.

This enhanced due diligence approach has been extended to clients in-scope of our Forestry and Agricultural Commodities standard and our Defence and Security standard.

We undertook 903 reviews in 2021, being a combination of annual due diligence reviews and individual transaction reviews, slightly less than the 912 we undertook in 2020. The number of reviews for 2021 reflects the extension of the annual review process to additional sectors, which is offset by a reduction in transaction referrals for lower risk clients.

Escalation and decision

Where client relationships or transactions have a high or medium ESI risk rating following an enhanced due diligence review, they are then escalated to the appropriate business unit review committee for consideration (and in relation to execution of a transaction with those clients, a decision on whether to proceed). Should the front office business team, the Sustainability and ESG team and/or Climate Risk team believe the issues are sufficiently material, these would be escalated to the Climate Transaction Review Committee (CTRC) or Group Reputation Risk Committee (GRRC) as appropriate, for more senior consideration and decision. Both of these Committees include representation from the Group Executive Committee. The CTRC or GRRC may make the following determinations:

- approve the transaction or relationship,
- reject the transaction or relationship,
- approve the transaction or relationship, subject to prescribed modifications, or
- escalate the review of the transaction or relationship to the Barclays Group CEO.

Monitoring

As part of our management of environmental and social risks, we may require further client engagement calls in relation to the specific environmental and social risks that we have identified as part of our enhanced due diligence process. We have used these calls as an opportunity to gain a more detailed understanding of the risks and challenges that the client is facing and to better understand any climate transition plan that they may have.

We intend to continue our work with clients in key sectors, believing it is better to be engaging with clients in relation to the transition, rather than simply walking away from financing for these sectors. We recognise there may be companies or particular activities that cannot transition over time, and in such cases we believe those clients will find it increasingly difficult to access markets for financing, including through Barclays.

Environmental credit risks

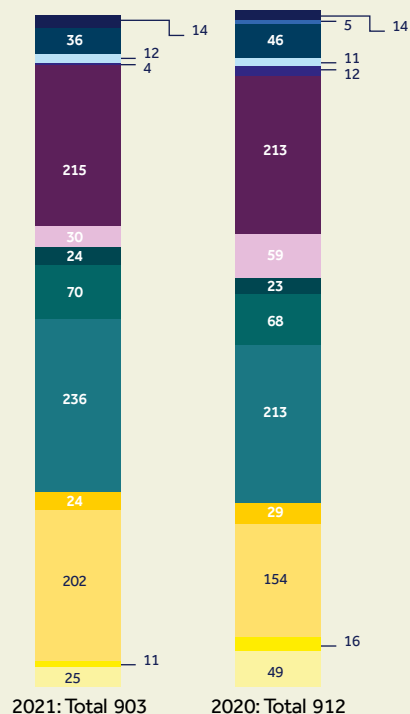
Environmental risk is regarded as a credit risk driver, and is considered within our in credit risk assessment process. The Climate risk team is responsible for advising on the environmental and climate-related credit risks to Barclays associated with particular transactions. Environmental risks in credit are governed under the Client Assessment and Aggregation Policy, Environmental Risk Standard and Nuclear Industry Risk Standards. These standards are embedded within the overall ERMF.

Over the years, we have developed detailed industry-specific risk guidance notes covering more than 50 environmentally and socially sensitive activities across 10 different sectors to inform our approach. Sectors covered include, for example, Agriculture and Fisheries, Oil and Gas, Mining and Metals, and Utilities and Waste Management.

These briefing notes are available to colleagues in business development and credit risk functions across the organisation, outlining the nature of environmental and social risks of which to be aware, as well as the factors which mitigate those risks.

ESG: Social and environmental financing continued

Transactions and client relationships subject to social and environmental risk review



Environmental risk identification in Barclays UK

Our property and land valuers can use our environmental screening product, Barclays SiteGuard; to assess the history of a piece of land and the operational implications of a site's current or intended commercial use. In 2021, 891 (2020: 3,122) commercial properties were screened using a Barclays SiteGuard Report, with 256 cases in the waste sector referred (2020: 1,332 cases). The difference in the number of referrals made in 2021 reflect enhancements to our assessment process.

 Further details can be found at our environmental risk in lending at: home.barclays/citizenship/the-way-we-do-business/environmental-risks-in-lending/

Training

The Climate risk team provides training to banking and credit risk teams to raise awareness of the environmental credit risks in particular sectors and highlight their responsibilities in identifying these risks. In 2021, training was provided to 160 colleagues. We are also looking to expand the opportunity for our training in wider teams across the Group to further the awareness. In addition to climate risk becoming a Principal Risk, mandatory training for the Group will be introduced in 2022.

Equator Principles

For project-related finance, we apply our Environmental risk standard, which implements the Equator Principles and relevant IFC Performance Standards.

Barclays was one of the four banks which collaborated in developing the principles, ahead of their launch in 2003. We have aligned our policies and procedures to the fourth iteration of the Equator principles (EP4, 2020) now that it has been introduced.

During 2021, three of the 903 transactions which were reviewed for social and environmental risks fell in the scope of the Equator Principles.

Our Environmental risk standard is supported by a toolkit for employees comprising a range of practical guidance documents.

 Further details can be found at: equator-principles.com/

Equator Principles transactions 2021

Sector	Category		
	A	B	C
Mining			
Infrastructure			
Oil & Gas			
Power	1	2	
Others			
Region	A	B	C
Americas			
EMEA		2	
APAC	1		
Country designation	A	B	C
Designated		2	
Non-designated	1		
Independent review	A	B	C
Yes	1	2	
No			
Finance type	A	B	C
Project finance	1	2	

Category A: Projects with potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.

Category B: Projects with potentially limited adverse social and environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C: Projects with minimal or no social or environmental impacts.

Country Designation is based on the World Bank's income criteria. Projects in designated countries (High Income OECD members) are assessed only according to local laws. Projects in 'non-designated' countries are assessed according to local laws and the International Finance Corporation's standards.

ESG: Social and environmental financing continued

Deforestation and agricultural commodities

Barclays recognises that deforestation is a key driver of climate change and biodiversity loss and is frequently linked with significant adverse human rights impacts. We are a signatory to the New York Declaration on Forests and its objectives of ending deforestation by 2030. We seek to support clients that promote sustainable land management practices while respecting the rights of workers and local communities.

A major cause of deforestation is the production of agricultural commodities such as timber products, palm oil and soy and we have therefore established a position statement and due diligence approach that applies to clients involved in these activities. This year we augmented our due diligence approach for these clients by developing a detailed due diligence questionnaire against which we review these clients on an annual basis.

Clients engaged in forestry, palm oil or soy production are assessed for compliance with the requirements in our Forestry and Agricultural Commodities Statement and a number of other environmental and social issues, such as their zero

deforestation commitments, sustainability certification coverage, and their adherence to the principles of Free, Prior and Informed Consent (FPIC); to better understand how they are appropriately managing their material environmental and social impacts.

In recognition of the growing concerns around the impact of soy and beef supply chains on deforestation and land conservation in South America, this year we have supplemented our enhanced due diligence reviews of relevant agribusiness clients to include client engagement calls specifically focused on this topic.

We have used these calls as an opportunity to gain a more detailed understanding of the risks and challenges in the region and better understand these clients' ongoing supplier traceability and monitoring activities. This engagement should allow us to better support these clients in addressing their supply chain deforestation risks and to encourage the improvement of these activities over time where together we have identified opportunities to do so.

Human rights

Barclays operates in accordance with the International Bill of Human Rights and takes account of other internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights (UNGPs). We respect and promote human rights in our own operations through our employment policies and practices and our supply chain through screening and engagement.

In 2021, we have initiated a strategic exercise to identify the salient human rights risks associated with our client financing portfolio. Over time, this will enable us to

focus our client due diligence efforts and disclosures on the issues that pose the greatest risk to people. We intend to provide more information on this assessment and our plan for enhancing our approach to identification and management of salient human rights risks in future reports.

We are working to embed human rights considerations into our position statements and related due diligence approach for clients operating in sectors with elevated environmental and social impacts. For example, we include specific questions around respect for Indigenous Peoples' rights, health and safety and

provision of security into our due diligence questionnaires for clients in energy subsectors such as fracking and oil sands which are covered under our Climate Change Statement.

In 2021, we established a tailored due diligence questionnaire for clients covered by our Forestry and Agricultural Commodities Statement. In recognition of the potential impacts that the production of commodities such as timber products or palm oil may have on Indigenous Peoples, through this questionnaire we will assess each client's approach to consulting with these groups. We will evaluate whether their approach is consistent with the principles of free, prior and informed consent (FPIC) in order to gain assurance that the client will respect the rights of Indigenous People potentially impacted by its operations.

Outside of our established sector statements we are working to proactively monitor for events and developments globally that may present new human rights risks and work to investigate our potential exposure to these. For example, this year we identified renewable energy supply chains and the surveillance technology sector as two areas that are increasingly linked with human rights risks such as forced labour. In response, we initiated a portfolio review of our exposure to companies involved in these sectors in a region with heightened exposure to these risks. We subsequently conducted due diligence on identified clients and are engaging with a selection of prioritised clients to further assess their risk management approach and evaluate whether they are taking appropriate steps to address these risks.

Barclays does not tolerate modern slavery, human trafficking or forced labour. We are committed to trying to identify and seeking to address these risks across our value chain. We have previously identified the manufacture of ICT equipment as an area of elevated modern slavery risk in our supply chain, and this year we conducted an enhanced review of ICT suppliers to further understand and address this risk. We developed a bespoke labour rights due diligence questionnaire and sent this to 95% by spend of our ICT equipment

suppliers. A number of suppliers were then prioritised for further review based on our assessment of their risk profile and risk management approach and in 2022, we will engage with these suppliers with a view to support them in improving their approach to addressing modern slavery risk.



Barclays Group Statement on Modern Slavery can be found at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Barclays' statements and policy positions

Our statements and policy positions include:

- Climate Change
- Forestry and Agricultural Commodities
- World Heritage Sites and Ramsar Wetlands
- Environmental Risk in Lending
- Soft Commodities
- Defence Sector
- Human Rights
- Modern Slavery
- Financial Crime
- Data Protection
- Donations
- Resilience
- Tax
- Code of Conduct (The Barclays Way)
- Third-Party Code of Conduct
- Health, Safety and Welfare



Further details on Barclays statements and policy positions can be found at: home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/

Governance

In accordance with how ESG ratings agencies and investors classify 'governance matters', this section provides an overview of how we do business and highlights our approach to a range of matters with links to additional detail in the Annual Report. This includes information on our Code of Conduct, our approach to managing conduct risk, financial crime, responsible banking, data privacy, public policy engagement and taxation.

This section does not discuss general corporate governance matters. Refer to our Governance Report from page 111 in Part 2 of the Annual Report for information relating to the Board, ExCo and Board Committees, our Board governance framework and how we complied with the requirements of the 2018 UK Corporate Governance Code during 2021.

ESG: Governance

The Barclays Way is our Code of Conduct. Together with more formal policies and practices, this provides a clear path towards achieving a positive and dynamic culture within the Group.

The Barclays Way

“

In challenging times such as these, it is more important than ever that we conduct ourselves in the right way. The Barclays Way sets out the standards of behaviour we should all aspire to in our professional lives. It is a guiding light for everyone in Barclays, helping us to make the right decisions every day.

Our commitment to being a responsible business includes ensuring that:

- we conduct ourselves in line with The Barclays Way, our Code of Conduct, to create the best possible working environment for our colleagues,
- that we treat our customers fairly and that the products and services we deliver are transparent and responsible,
- we operate in line with relevant laws and regulations including those applicable to financial crime, and
- we safeguard the data that has been entrusted to us.

Our Code of Conduct reflects the trust that millions of people place in us every day. We know that trust is earned by repeatedly doing the right thing. We believe the best way to build that trust is to invest in our culture and support our people in the choices they make every day, with guidance and policies that help them do this.

That starts with our Purpose, Values and Mindset, and is locked into our organisation through The Barclays Way, the touchstone for everyone in Barclays on the standard of conduct we expect, setting an unequivocal tone from the top about who we are and what we stand for.

The Barclays Way was launched in 2013, replacing a number of existing codes of conduct with a single document. It governs our way of working across our business globally and constitutes a reference point covering all aspects of colleagues' working relationships, specifically but not exclusively with other Barclays employees, customers and clients, governments, regulators, business partners, suppliers, competitors and the broader community.

It is aligned to the Code of Professional Conduct, published by the Chartered Banker Professional Standards Board, which sets out the ethical and professional attitudes and behaviours expected of bankers. Barclays subscribes to this code and is committed to embedding its broad principles into our business.

The Barclays Way includes information and guidance on how employees are expected to behave and take personal accountability for making decisions.

We apply a range of criteria, over and above financial considerations, aimed at building a sustainable, strong and profitable business for the long term and adding value to our business relationships and the broader communities in which we live and work. We provide guidance across all key stakeholder groups, including servicing our customers and clients, promoting respect, diversity and performance in the workplace, maintaining strong governance, robust controls and strict ethical standards.

The Barclays Way also includes advice and guidance on speaking up and raising concerns. It is important for the success of Barclays, and for the safety and wellbeing of our customers, clients and colleagues, that we encourage a culture that supports speaking up when things aren't as they should be. All colleagues are required to undertake training on the Barclays Way.

 **The Barclays Way Code of Conduct is available at:** home.barclays/citizenship/the-way-we-do-business/code-of-conduct/

Notes

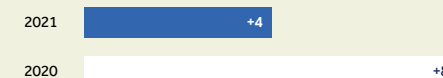
® Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

Barclays UK Net Promoter Score®



The NPS is a view of how willing customers are to recommend our products and services to others.

Barclaycard UK Net Promoter Score®



The NPS is a view of how willing customers are to recommend our products and services to others.

Barclays US Consumer Bank Net Promoter Score®

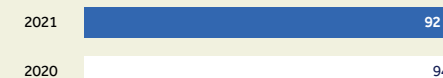


The NPS is a view of how willing customers are to recommend our products and services to others.

Employee survey results

%

“I believe that my team and I do a good job of role modelling the Values every day”.



% of colleagues completing training on the Barclays Way

99%

ESG: Governance continued

By effectively managing Conduct risks, we can continue to strengthen the culture of Barclays.

Conduct

The Group defines, manages and mitigates Conduct risk with the objective of providing good customer and client outcomes, protecting market integrity and promoting effective competition.

Conduct risk incorporates market integrity, customer protection, financial crime and product design and review risks.

Culture and conduct

We believe the stronger our culture, the better the choices our people will make; and the stronger our business will be for all our stakeholders. While our culture helps us reduce the impact of poor conduct on our customers, we also do not intend to repeat the errors of the past.

Our most senior leaders spend significant time setting the right tone at Barclays and our Purpose and Values are now deeply embedded in their messages. The Barclays Way sets out the standards and behaviour all employees must demonstrate and guides the execution of our business. We also strengthen our culture with clear and effective controls. We continue investing to enhance our controls to support our commitment to conducting all activities with integrity.

→ For details of the Board's role in embedding our Culture, Purpose, Values and Mindset, please refer to page 148 of the Directors' Report.

The Barclays Mindset

Our Mindset acts as an operating manual for how to get things done at Barclays. It focuses on three key elements that are core to our success – Empower, Challenge and Drive. Our research shows that when we demonstrate behaviours aligned to these three elements, outcomes are better, colleagues are more engaged and they are more likely to stay longer to build their career at Barclays.

→ For further details, see page 29 in the Strategic Report for more information on the Barclays Mindset.

Organisation and structure

The Conduct Risk Management Framework (CRMF) outlines how the Group manages and measures its Conduct risk profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing the CRMF. This includes defining and owning the relevant Conduct risk policies which detail the control objectives, principles and other core requirements for the activities of the Group. It is the responsibility of the first line of defence to establish controls to manage its performance and assess conformance to these policies and controls. A selection of tools are used to manage and assess Conduct risk, including: (i) the Risk and Control Self-Assessment (RCSA) is the Group-wide approach for businesses to identify and regularly assess material risks and their associated controls, in order to mitigate these risks and reduce the likelihood and/or severity of losses to Barclays; (ii) the Strategic Risk Assessment (SRA) focuses on non-financial risks and is the tool used to annually identify potential forward-looking

Conduct risks that may arise due to a particular strategy, business model or activity, or any potential regulatory, market or industry changes; and (iii) the Delivered Risk Assessment (DRA) assesses the risks that a change initiative may create once delivered.

The governance of Conduct risk within the Group is fulfilled through management committees and forums operated by the first and second lines of defence, with clear escalation and reporting lines to the Board. Barclays Internal Audit (BIA) provides independent assurance on the effectiveness of Conduct risk management to the Board and senior management.

The governance of Conduct risk within the Group is fulfilled through management committees and forums operated by the first and second lines of defence with clear escalation and reporting lines to the Board. The Barclays Group and Barclays Bank Group Risk Committee is the most senior executive body responsible for the oversight of the Conduct Risk Profile. The risk committees' responsibilities include the identification and discussion of any emerging Conduct risks exposures in their respective entities.

Managing Conduct risks

→ See pages 140 and 147 in the Directors' report in addition to pages 214, 223 and 288 in the risk review section for more information on how the Group defines, manages and mitigates Conduct risks.

Product design and review risk

It is important that the design of our products and services meets the needs of clients, customers, markets as well as being aligned with Barclays' policies. We do this by operating two processes, which together form our product design and review risk framework.


We have a process that supports the Group in the approval and implementation of New and Amended Products and Approval process (known as the NAPA Process, set out in the Barclays NAPA Policy and Standards). This process outlines the requirements and risk assessment standards that must be met to help ensure that new and amended products and services are appropriately designed prior to their launch.


In addition we have a complementary process that reviews the existing portfolio of products and services throughout their lifecycle (known as the Product Review Process, set out in the Barclays Product Review Policy and Standard). This process considers information about the performance and operation of the product or service through a conduct lens.

Wherever a product or service is found to be outside appetite, the product or service owner must seek to ensure actions are taken to address it. These actions are validated by functional areas, including Legal and Compliance.

ESG: Governance continued

Both processes have undergone significant review and enhancement over the last 18 months. The improvements covered both the design and operation of the process and have resulted in an enhanced product and design review control environment.

 **The BPLC, BBPLC and BBUKPLC Board Risk Committees review, on behalf of their respective Boards, the management of Conduct risk and the Conduct risk profile for their respective entities.**

 **Please refer to the report of the BPLC Board Risk Committee on pages 202 to 203 and the reports of the BBPLC and BBUKPLC Board Risk Committees within the BBPLC and BBUKPLC 2021 Annual Reports available at home.barclays/investor-relations/reports-and-events/annual-reports/ for more information.**

Customer communications

It is important that our engagement with our customers is open and honest and that we treat them fairly to avoid foreseeable harm and to make sure they are not exploited or misled. Barclays continues to take steps to ensure that our customers' needs and priorities are understood before making recommendations and that the communications we provide allow informed decisions to be made. We work to achieve this through a number of controls which focus on ensuring our customers receive clear information in order to understand the risks and benefits of the products we offer. For example:

- communications are sufficient, targeted and distributed to recipients whom Barclays knows or reasonably believes may stand to benefit from the communication, and are communicated in a manner and style that will be understood by the average recipient (or likely recipient),
- communications are withdrawn from further circulation when they are no longer accurate or fit for purpose, and
- customers do not receive inadequate advice, misleading information, unsuitable products or unacceptable service.

Our processes include a review of relevant communications which are supported by the Compliance, Privacy and Legal functions to help ensure we meet both internal customer engagement standards and we are compliant with external regulations. Furthermore annual mandatory training is completed by marketing colleagues. The training covers key customer and brand standards along with the role and key policies set by external regulators e.g. regulatory requirements may require communications to be provided that are accessible to customers, or provide customers with the option to 'opt out'.

Remediation and redress

Barclays recognises that customer detriment may occur as a result of our error, actions or inactions, and that we must undertake appropriate activity designed to ensure our customers are put back in the position they would have been in had the issue not occurred.

Remediation can be proactive, where we have identified the issue ourselves (for example through identifying a pattern in customer complaints), or reactive, where identified by a third party such as a regulator of Barclays.

Where it is appropriate, Barclays works to ensure the operation of consistent principles for remediation which includes timely notification to the relevant regulatory bodies.

Barclays International

Role modelling and driving a strong conduct culture is embedded throughout Barclays International (BI) from the senior leadership through to the businesses which comprise of Consumer, Cards and Payments and the Corporate and Investment Bank (CIB). The Barclays Way, Values and Mindset set out the standards and behaviour all employees must demonstrate and guides the execution of our business. Managing Conduct risk is an integral part of our strategic and financial planning, new business and product approval, risk assessments, performance management, promotion, remuneration and all other key decision-making processes. A CIB Balanced Scorecard is in place to measure how we are delivering for our four primary stakeholder groups: customers and clients, Shareholders, Colleagues and Society. The Scorecard is owned and reviewed by the CIB management team with regular updates published to all staff.

As well as business level controls and frameworks, individual accountability is also at the heart of the way that we manage our Conduct risk. Senior managers are individually accountable within their areas of responsibility for owning and managing Conduct risk, and any individual performing a role which requires certification, registration, permission or approval must have those in place before they engage in any regulated activities. In order to maintain these approvals, the individuals must undergo continuous education, additional mandatory training, fitness and propriety attestations, or additional requirements in their local jurisdictions, which are monitored in line with the individual accountability standard, in order to ensure that they carry out their role in line with the Barclays CRMF.


In these ways we look to ensure that customers and clients are put at the heart of everything we do; we recognise when customer detriment may have occurred and we undertake appropriate activity,

including following complaints handling and redress procedures, designed to ensure our clients are put back in the position they should have been in. By doing these things we look to ensure that we deploy finance responsibly to champion sustainability and innovation across our businesses both now and in the future.

We operate a broad range of products in BI which include: investment products and advice for our Private Bank clients supported by sales quality standards to help ensure we understand our clients' risk profiles, circumstances, investment needs and objectives; Transaction Banking products which need to be built robustly and operate effectively to meet the needs of our Corporate Banking clients; and Markets, Banking or BI Treasury products tailored in line with our specific client base, considering conduct and suitability by focusing on product features, distribution strategies and governance frameworks.

While we apply the CRMF across all of our businesses, the broad range of markets, products, and clients around the world necessitates differing areas of focus for each business when managing its Conduct risk. For example, in addition to the group wide NAPA and Product Review processes, the CIB as well as the Private Bank operate enhanced Product Governance Frameworks, recognising the complex nature of our products and markets, in the businesses which review new and amended products and service proposals, ensuring changes are assessed from a client, conduct, operational and risk perspective.

Below are some further examples of how specific Conduct risks relevant to our different businesses, are managed as part of the CRMF, above and beyond the risk themes that apply across the Group.

 **The Barclays International businesses are carried on by BBPLC and its subsidiaries, as well as by certain other entities within the Group. For information regarding BBPLC Board governance and activities, please refer to the BBPLC Annual Report 2021 available at home.barclays/investor-relations/reports-and-events/annual-reports/ for more information.**

ESG: Governance continued

Corporate and Investment Bank

Global Markets and Investment Banking

Examples of how both Markets and Banking manage product governance and suitability include the following:

The Markets, Banking and Barclays International Treasury Product Governance Forum oversees the Product Governance Framework. This provides an ongoing product review process, which promotes the delivery of products to compatible end investors on a direct and indirect basis.

In addition, the Forum has oversight of supplementary point of sale and post-sale processes and controls defined by each business and tailored in line with their specific client base and products offered. The Forum provides review, challenge and guidance and facilitates the consistent application and information sharing between the Markets, Banking and BI Treasury Businesses. This aims to improve governance in line with the organisation's overall risk management framework.

The Retail Distribution Forum (RDF) are regional forums that cover APAC, EMEA and the US that consider conduct and suitability by focusing on product features, distribution strategies and the governance frameworks that apply to Retail Structured Products. There are further quarterly mandatory meetings to review all approvals in the previous quarter, provide an upcoming view of future meetings and a regulatory update.

The Indirect Retail Distributor framework is part of the toolkit supporting issuance of Retail Structured Products and sets out requirements for initial and ongoing due diligence to help ensure the distributors have appropriate procedures and governance for their products and target market focusing on good end-customer outcomes.

Global Markets

Now in its sixth year of release, the Global Markets Code of Conduct (GMCC), an addition to our CRMF; is the annual re-statement of our continual commitment to promoting good conduct, strengthening our control environment and cultivating a strong ethical firm culture. The first half of 2021 saw the majority of our colleagues continue to work remotely due to the COVID-19 pandemic. Since then, colleagues are returning to offices in greater numbers. Attention to detail around the control environment during this period is of the utmost importance to managing risk. Markets' distributed architecture has been essential to our ability to operate effectively throughout this year and we have been mindful of the risks that this environment has created. The business has remained vigilant in identifying and mitigating Conduct risks as we navigate these challenging times.

The GMCC is an input from teams across Markets, spanning the Regulatory, Legal and Compliance functions. It is a collection of key conduct principles and ethical and legal behaviours to which all colleagues are expected to adhere to at all times. In this edition, there are updates taken from our Policies, Standards and Procedures that incorporate the industry standards and best practices that guide our Markets business globally. New content has been added relating to Sustainability, the LIBOR Transition, and Personal Relationships at work. The principles highlighted in the GMCC inform all our decisions and bolster our business by building and maintaining a reputation of dependability with clients and strengthening our ability to attract, retain and develop our colleagues. The GMCC outlines how Markets manages Conduct risks including, but not limited to, preserving confidentiality, managing market conduct, preventing financial crime and fraud, product governance and suitability and managing conflicts of interest.

The GMCC is a good example of how we are operating in line with the Barclays Purpose, Values and Mindset and will help ensure that we are best positioned to drive good outcomes for our stakeholders, including shareholders, colleagues, clients and society.

Corporate Bank

In 2021, the Corporate Bank continued to strengthen its overall Conduct risk governance. This has been achieved through quarterly risk reviews and reporting, enhancement of customer experience, ongoing enhancement of controls, robust product governance and specific action to serve the needs of vulnerable customers during the COVID-19 pandemic.

The Corporate Bank Controls Forum governs Conduct risk and control oversight. Additionally, to support our on-going Market Conduct obligations, Corporate Bank initiated a dedicated Market Conduct process optimisation initiative. This initiative enhances existing processes and establishes a dedicated Market Conduct Knowledge Centre for Corporate Bank colleagues.

The development of new propositions is done in collaboration with customers through research, insight, data analytics and data science. The goal is to help ensure customer needs are at the core of our design principles. By leveraging the new product approval process, customer needs are embedded in the final product design. Corporate Bank runs the Business Change Control Forum that sets and governs the principles and standards for managing material change impacting products globally and is a precursor to the Group-wide new product approval process.

Within the Transaction Banking business, we have simplified our payments, digital services and information tariffs. Our new tariff provides our customers with much clearer information allowing them to easily reconcile their charges. Relationship Bankers are able to guide clients where cheaper solutions may be available to them and can review pricing dependent on customer needs.

Consistency in product governance is provided through the Product Lifecycle Programme, which standardises how products are created, managed and changed within the Corporate Bank. The goal is that the relevant products and associated processes are robust and operate effectively. In addition, this provides Product Managers with greater end-to-end oversight and effective tools to manage products through each phase of maturity.

In matters relating to sustainable products in the Corporate Bank, the Sustainable Product Group has been established as a full-time team acting as a centre of excellence for sustainability-related topics, reputational risk, governance and reporting and product innovation and origination. A senior member of the Sustainable Product Group chairs the Corporate Bank Sustainability Council to provide oversight of these activities and direction on product development and innovation priorities. Colleague training and dedicated customer communication plans are also being led by the Sustainable Product Group and the Group Sustainability and ESG team, which includes training calls and other collateral.

A European Client Task Force (ECTF) was established to enhance the European client experience through a series of initiatives. The ECTF addressed a variety of client journeys in the European franchise with the aim of detecting and executing on efficiency opportunities within client support, digital propositions and product capabilities. As a result of this work, the Corporate Bank should be able to provide tangible uplift to the client experience with key improvements in onboarding and account opening through to payment processing. Corporate Bank will continue to apply these principles of continuous incremental improvement towards our wider business and customer footprint.

We feel the importance to address the needs of vulnerable customers and help to ensure that they are understood and staff have the right skills and capability to recognise and respond to their needs to make sure they are treated fairly, building on existing support for them. The Corporate Bank has reviewed FCA and other jurisdictional regulations and instigated annual training, best practice controls and processes. All of this is underpinned by a regular review of the control framework to help ensure that it remains fit for purpose and continues to respond to the needs of vulnerable customers. This further builds on existing Corporate Bank practices as a signatory to the Standards for Lending Practices, which provides protections for Small and Medium Enterprises.

ESG: Governance continued

Private Bank

Our Private Bank senior leaders spend significant time setting the framework designed to ensure our Purpose, Values and Mindset are now deeply embedded in our objectives and plans.

For business to succeed, we believe quality for every product, service, process, task, action or decision must be maintained at every level. Our sales quality standards are designed to ensure we understand our clients' risk profiles, circumstances, investment needs and objectives. Our Training & Competency (T&C) Scheme, Sales and Suitability process and Advice Quality Assessment processes are designed to ensure that our client advisers are qualified and trained in order to perform their regulated roles, alongside being able to provide suitable and appropriate investment advice to our clients.

In addition, we strengthen our culture with clear and effective controls by assessing conduct of in-scope frontline employees against key testing and metrics that are presented in a Conduct risk dashboard, ensuring conduct issues are captured, discussed and reviewed regularly. The Private Bank T&C scheme encompasses the responsibilities of a supervisor and helps to ensure that regulated or relevant employees' skills, knowledge and performance are regularly assessed, their competence is maintained and their skills are regularly developed. We work to ensure that clients are put at the heart of everything we do; monitoring processes are in place to identify when customer detriment may have occurred. In those potential circumstances, we undertake the appropriate activity, including following complaints handling and redress procedures, to help ensure our clients are put back in the position they should have been in should the detriment had not occurred. While things can and sometimes do go wrong, we have a formal root cause programme that allows us to learn from complaints and be proactive with clients on potential issues.

Our Client Experience Forum examines specific client journey reviews and detailed issue root cause analysis to improve our processes and the client experience. Our ongoing focus is to enhance the client journey for a superior and seamless omni-channel client experience that is platform agnostic, while supporting the drive for scalable growth.

Due to the COVID-19 pandemic and the increase of vulnerability across the population, it is paramount to ensure we understand the needs of vulnerable clients to make sure they are treated fairly building on our existing support for them. A Private Bank vulnerability programme was set up to help ensure applicable regulations and guidelines are adhered to, including the roll out of best practices on controls and processes, as well as, further training designed to ensure all our staff have the right skills and capability to recognise and respond to the needs of our vulnerable clients.

The services we provide and the manner in which they are delivered continue to evolve, driven by the changing needs of our clients and guided by the regulatory landscape in which we operate. The Private Bank Product and Proposition Committee (PPC) reviews new and amended product / service proposals from an end to end perspective. The PPC provides review, challenge and guidance, which is designed to ensure any changes to our products and/or services are assessed from a client, conduct and risk perspective. The PPC facilitates the progression of proposals through the NAPA process as applicable, ensuring the required governance process is followed prior to product launch. Our product and service families are reviewed on an annual basis to help ensure our products and services continue to meet the needs of our clients and mitigate the risk of foreseeable harm. Product Review outcomes are presented at the Private Bank Product Review Committee, aligned to the requirements of the Group Product Review Standard. We all have a responsibility to look to ensure that our clients are at the heart of every process, activity and decision, and that we have a clear understanding of the consequences of our actions.

Consumer, Cards and Payments

In 2021, Barclays Payments has continued to focus on a customer-led approach, simplifying our product offerings, reducing paper consumption, supporting colleagues as we have continued to work from home and transition back into the office. Barclays Payments continues to embed the Group's global diversity and inclusion agenda while continuing to take effective action to support clients through the COVID-19 pandemic.

In response to the COVID-19 pandemic, we introduced a range of forbearance measures across our issuing and acquiring businesses. In Issuing, additional support options implemented in 2020 were carried forward with payment holidays and interest and fee suspensions offered to support businesses experiencing payment difficulties. In Acquiring, businesses impacted by the COVID-19 pandemic could freeze fixed monthly payments for 3 or 6 months as well as waiving minimum billing was waived for all customers during each of the national lockdowns. This was extended in 2021 for some sectors that were unable to re-open immediately after the lockdown such as hospitality.

Consumer Bank Europe (CBE) continues to improve its payment and lending offering and responds to ever changing customer behaviour. While closely monitoring the effects of the COVID-19 pandemic on our customer base, CBE has continued to strengthen its 'Buy Now Pay Later' product features. These are giving customers the flexibility of a card in combination with structured repayment capabilities. This innovative financing solution was also embedded in a major e-commerce partnership solution with Amazon, offering customers a seamless experience with a fully digital onboarding and servicing process. With this partnership solution, CBE is now extending this offer to new partnerships.

Our US Consumer Bank (USCB) supported customers and partners, responding to changing customer and client needs as events have continued to unfold in 2021. We have built on the targeted action taken in 2020 to support customers who experienced financial disruption or hardship as a result of the COVID-19 pandemic, continuing to offer Hardship Assistance as well as dedicated Payment Relief Plans for both Cards and Consumer Loan customers up until May 2021.

As we continue to develop relationships with our clients and customers, we remain focused on automation and digitisation to further enhance the products and services we offer. Digital enhancements to our disaster relief process were made in 2021, initially developed to assist vulnerable customers during the COVID-19 pandemic, were also provided to card members impacted by Hurricane Ida enabling them to enrol online for relief, in addition to also being able to contact live call centre agents for assistance, further improving the customer experience.



ESG: Governance continued

Barclays UK


We are a customer-led business which aims (among other things) to provide good outcomes for our customers, clients and other stakeholders, while protecting the integrity of the market and promoting effective competition.

The Barclays Way sets out standards and behaviours that we must demonstrate and guides how we conduct our business across Barclays UK. Our CRMF incorporates four key risks: Market Integrity, Customer Protection, Financial Crime and Product Design and Review.

Aligning our culture to these standards is the key focus for Barclays UK. Leaders are expected to role model behaviours leading an effective 'tone from the top' in addition to driving good culture and conduct outcomes to embed a customer-focused culture throughout our business, which is comprised of Customer, Product, Business Banking, Wealth Management and Investments, Transformation, and our Chief Operating Office.

We review a range of topics to monitor both the risk and cultures set out in our strategic plans and operations, supported by Conduct risk assessments and key indicators. Working within the CRMF, we evaluate, respond and monitor Conduct risk.

We assess Conduct risk against key conduct controls set out in the CRMF and metrics and proactively look forward to identify new and emerging risks. Outputs are included in quarterly assessments and reported through the Barclays UK Conduct risk dashboards, culminating in an aggregated risk profile, which is reported to the appropriate Barclays UK Board Committee.

 **The BUK businesses are carried on by BBUKPLC and certain other entities within the Group. For information regarding BBUKPLC Board governance and activities, please refer to the BBUKPLC Annual Report 2021 available at home.barclays/investor-relations/reports-and-events/annual-reports/ for more information.**

BUK conduct culture plan

Through 2021, Barclays UK took a number of actions to further improve its culture, which included delivery of improved tools and training on Conduct risk assessments. During 2021, over 23,500 of Barclays UK colleagues completed conduct culture training. This has helped us in identifying, mitigating and monitoring Conduct risks ahead of key decisions and supported increased visibility of Conduct risk assessments by the Barclays Executive Committee.

Our focus is now to fully embed and integrate conduct within our wider culture strategy. This will continue to embed as part of Barclays UK's people and culture transformation programme.

Responsible sales practices - reward and incentives

Our Barclays UK reward scheme is designed to incentivise all BUK colleagues to collaborate across the business, to better serve our customers. All colleagues receive an annual incentive payment related to one shared objective: to improve the customer experience. We measure our progress and define payment levels through the use of a brand-level Net Promoter Scores[®]. Our customer-facing colleagues receive the majority of their reward as base salary. This provides more financial security for colleagues, while reducing the risk of our reward structure being misaligned with the needs and desires of our customers.

Barclays UK has a well-established Performance Framework in place, that exists to protect the interests of our customers, colleagues and the Company through ensuring the right outcomes. The framework design does not include or permit the use of product sales targets for Customer Facing Teams.

Product design and review

Barclays UK conforms to the enhanced Barclays Product and Services Lifecycle governance, which is composed of two key processes: Product Approval; and Product Review, which help ensure that our products and services meet the needs of our customers by design and operation.

Product design

Barclays UK relies on two critical processes designed to ensure that our products and services meet the needs of our customers through their design. The NAPA process looks to ensure that the needs of our customers are met when new products are launched or existing products are amended, or that customer impacts are considered when products are withdrawn.

Wherever a product or service is found to be outside Appetite, the product or service owner must look to ensure that actions are taken to address this. The actions are validated by functional areas, including Legal and Compliance.

Both processes include, among other things, consideration of the product or service income generation approach; pricing structure complexity; fees or charges; the use of short-term promotions or offers; and features or add-ons that customers pay for as part of this product.

The Product Review process encourages greater product oversight by requiring that all existing products and services are reviewed annually, to help ensure that they continue to meet the needs of our customers.

This includes requirements that:

- the product or service meets a clear, unique and genuine customer need,
- customers are able to exit or downgrade from the product or product elements with minimal difficulty or cost,
- an option to cancel without cost within a 'cooling off' period is offered as standard, and there is minimal difficulty or cost to cancel or switch after this period has ended, and
- customer vulnerability is considered and the risk of causing customer detriment, including adverse impacts on customer outcomes, customer harm, distress, inconvenience, reduced choice and loss of opportunity or benefit, is mitigated.

The product review process also covers matters including:

- product parameters, including target markets, client segments, ongoing suitability and whether the product or service remains consistent with the needs, characteristics and objectives of the identified target market,
- benefits versus best interests to customers and clients and the business,
- features of the product or service,
- distribution services and access channels
- financial and non-financial risks as relevant to customers, clients, market integrity, effective competition or Barclays due to wilful misconduct,
- post-sale transactional services where there is potential for customer, client or market detriment, and
- relevant supporting infrastructure and controls including data, resilience and technology, and any potential issues identified.

Notes

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ESG: Governance continued

Transformation

The Transformation team oversees Barclays UK's multi-year Transformation Plan in line with the Group's strategic ambitions. The team work to design, sequence and track the plan at an aggregate level, ensuring effective mission control and a proactive culture of overall risk identification and mitigation. As part of this, the team has designed and embedded a series of controls and cultural interventions designed to ensure that conduct is an early and critical consideration of any new project in the plan (a project cannot be gated into delivery without this assessment being in place). The team also works to track and manage cumulative Conduct risk across the plan which may not be identified at an individual initiative level.

Customer

Customer-led design

We start from the principle that good design must be customer-led. We use a range of sources to understand our customers, in which immersive sessions, where we work together with customers to solve common issues, play a significant role. Other sources of customer insight include quantitative behavioural data, attitudinal data from social media, and feedback on customer experience from our NPS[®] research programme. We also apply behavioural science principles to design journeys that feel intuitive to our customers.

Before any concept moves into development, we aim to test and iterate the design with different customer groups. Once ready for launch, we use 'test and learn' approaches and analysis to quantify how our customers react to product changes, and how they assess their value.

At any stage in this process, we can involve our LaunchPad digital community of Barclays customers, to provide us with an ongoing feedback loop. And our 'Colleagues as Customers' Community, Challenger, provides further insight.

Fair pricing

We are committed to treating customers fairly in everything we do, including in how we price our products and services, with a specific focus on vulnerable customers. We have developed a set of fair pricing principles to help ensure that our customers pay a fair price for the products and services they receive, and the principles are designed such that they do not cause foreseeable harm to customers.

Product

Product designs and manages the products that Barclays UK personal customers use. This encompasses current accounts, payments, savings, insurance, credit cards, loans, overdrafts and mortgage products. In common with the rest of Barclays UK, Product's goal is to make money work for our customers. A focus on good conduct, controls and risk management is at the heart of delivering this goal.

In 2021, we continued to focus on driving a Conduct risk mindset through the business, ensuring that conduct is considered at the outset of any new initiative, and as the core consideration in how we manage our products on an ongoing basis. All colleagues have defined performance objectives relating to risk and control and we remain focused on continued colleague education in order to enhance knowledge and reinforce a strong conduct culture. This culture is supported by the robust decision-making processes, and effective risk management and governance that are operated by Barclays UK.

The results of our focus on a Conduct risk mindset combined with strong conduct governance is visible in the actions the business has taken to support customers through the COVID-19 pandemic. This has been evidenced in our credit card business model reset, where we have refreshed and simplified our proposition. Product simplification and efficiency remain at the forefront of our customer-centric strategy and our products and propositions are subject to regular review and quality assurance to help ensure they remain fit for purpose and meet our customer needs.

Business Banking

The challenges our clients face have been magnified in recent times and as we continue to support them through this post pandemic environment, our social purpose is to support their recovery. We know that good conduct is at the heart of being a partner for growth for our clients. Product simplification and efficiency are at the forefront of our customer-centric strategy and our products and propositions are subject to regular review and quality assurance to help ensure they are fit for purpose and meet our client needs.

We believe it is critical to embed a controls mindset ensuring that robust decision-making processes are in place and enabling us to drive continuous improvements in our control environment. As such, all colleagues have defined performance objectives relating to risk and control and we remain focused on continued colleague education in order to enhance knowledge and reinforce a strong conduct culture.

Notes

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ESG: Governance continued

Wealth Management and Investments

Throughout the uncertainty of the COVID-19 pandemic, we have also supported customers with increased remote engagements by our Wealth Managers, investment content and virtual events while at the same time ensuring the stability of our Smart Investor investments platform during peak trading times.

The annual value assessments on our funds have concluded that our multi-asset and single-asset class funds deliver good value across all the different criteria. To deliver better outcomes for investors, we merged several of the single-asset class funds in 2021 resulting in an improved line-up of underlying managers and reduced costs to clients through economies of scale. All funds have been judged to have met their investment objectives and the qualitative assessment highlighted those steps we have taken in the recent past that have helped deliver performance, and value for investors.

We recognised the fiduciary need to vote and engage with the underlying companies within our portfolios and so commenced these activities in 2021 and aim to continue our progress into 2022.

COO and Functions

Chief Operating Office

The impact on the customer from our Operations and Technology strategy is at the forefront of our execution mindset. While it is our clear expectation that improvements in technology and operational capability will go a long way to improving the experience of our customers; we are aware that the design of strategies don't necessarily fit the needs of all. Execution of change across a complex technology estate brings resilience risks, that unless managed could impact our customers and their financial needs. As such, consideration of Conduct risks and appropriate mitigation is made across our strategy against all our customer base and significant care is undertaken to protect the resilience of our service provision as these changes are made.

Governance and reporting

Both Product Review and NAPA operate with robust governance in place with separate monthly committees that provide Senior Management oversight of the outputs from both processes.

The outputs from Product Reviews are rated according to the Group-wide standard Risks and Issues Classification Matrix; once the Committee has approved the risk assessment, any risks rated High or Exceptional are escalated to the Barclays UK Risk Committee. Product Review actions are managed through the Barclays Risk Acceptance and Issues Management Standard, with all associated issues and actions tracked by the Product Review Committees.

Quality Assurance testing is conducted across all customer facing functions, including sales practices, complaint handling and account servicing and support. Additional testing is conducted on vulnerability to determine whether frontline colleagues are correctly identifying vulnerable customers and then manage correctly. Testing is conducted against those customer processes that have been evaluated as high risk designed to ensure that customers receive appropriate and fair outcomes. Where customers have not received the correct outcomes, feedback is shared directly so that remediation can be provided swiftly.

ESG: Governance continued

We believe that transparency of information in our products and services is key to empowering consumers to make good financial decisions.

Responsible and inclusive banking

Our aim at Barclays is to offer an accessible, empathetic and inclusive service for our customers, including for those who may typically face barriers to accessing banking services, such as customers living with disabilities, complex needs or experiencing difficult life events. We have made significant progress, but we know there is more to do.

Following publication of the finalised FCA Vulnerability Guidance in February 2021, we took the opportunity to review key areas that underpin our treatment of customers in vulnerable circumstances. Barclays defines vulnerability as any existing or potential customers who, due to their personal circumstances e.g. financial difficulty, long term medical conditions, or other personal circumstances, are especially susceptible to detriment. To better support customers experiencing these circumstances we have begun the delivery of enhancements to our Barclays' tools, training, support and systems which will lay an important foundation for continuing to improve our on-going support when customers need us the most.

We seek to consider the requirements of all our stakeholders during the development of products and services. This includes the requirement to consider accessibility and inclusion, giving customers the ability to take control of their finances in a manner convenient to them and the promotion of financial capability.

Our unsecured borrowing solutions for consumers allow customers to borrow money without offering up a security based on a major asset. Customers of this business are protected by the Consumer Credit Act and the FCA's Consumer Credit Sourcebook, and all the safeguards that these afford, such as rules on point of sale disclosures, affordability assessments, and how we treat customers who are in financial difficulty, or in danger of falling into financial difficulty. This differs from some other forms of borrowing, for instance; unregulated 'buy now, pay later' and 'short term interest free' credit, where some providers operate outside of the regulatory perimeter with different levels of protection afforded to customers.

In line with regulatory requirements including those mentioned above, we strive to support our credit card customers in using their lending facilities in a sustainable way. We communicate with credit card customers deemed to be in persistent debt to support them to repay their balances faster and so reduce their overall interest charges. Customers who are unable to exit persistent debt within the regulatory mandated 36-month period are offered a bespoke Paydown Plan. This includes interest rate concessions to make it affordable for them to repay their balance within four years.

While regulation determines how we must treat customers who are already in persistent debt, we aim to go further and we have taken measures aimed at preventing customers from reaching this stage in the first place. To help customers avoid entering persistent debt in the future, we have changed customers' minimum payment structure. Since February 2021, all new credit card accounts are automatically put onto the new higher minimum payment calculation. In addition, a phased approach to increase minimum payments for existing customers started in January 2021 and will continue into 2022.

We have systems and processes in place to identify the signs of a customer encountering financial difficulty, and where required, we work with our customers with the objective of enabling their return to financial health.

We also have information available for customers through our Money Management Hub, providing tangible examples of how banks can support customers who are worried about their finances. The Money Management Hub has also been designed with a broader range of consumers in mind, containing guides on budgeting, saving and planning for the future, as well as advice on handling debt.



ESG: Governance continued

Within our retail business, the card controls within our mobile app enable customers to block payments to certain categories of retailer, such as gambling services and premium rate phone lines, as well as enabling daily cash machine withdrawal limits and controls on online and phone purchases. We have also recently introduced similar controls for our credit card customers.

To help customers who have fallen behind on payments and to enable them to self-cure in their channel of choice, we are digitising our Barclays Financial Assistance (BFA) support. We have simple repayment journeys available for use by early cycle arrears customers across all unsecured products, and a short-form Income and Expenditure form for those who need more complex support. Eligible Barclaycard customers also have the opportunity to set up a repayment plan in app. These tools increase accessibility by enabling customers to choose a time that suits them to address their arrears, promoting better customer engagement. Further strategic changes are anticipated to provide additional payment plans for customers with unsecured borrowing products who require BFA support.

The Barclays UK SME Portfolio, which includes the Education, Social Housing, Local Authorities and Income Producing Real Estate portfolio, is governed by policies and standards that are designed to comply with the relevant regulation, mitigate the risk of defaulting for customers experiencing challenging circumstances and provide a framework for impairment, provisioning and forbearance.

In order to make a credit decision a number of factors are considered including customer profile and management, business environment, financial performance, Barclays mandate and risk appetite for the sector. Regular monitoring is in place to ensure lending policies and procedures remain effective.

We seek to proactively engage and support Barclays UK SME customers who experience financial difficulty, through Barclays Business Support with the intention of delivering good customer outcomes.

Some of the other ways we seek to promote responsible and inclusive banking and increase accessibility are set out below.

 **The Barclays Accessibility statement is available at: barclays.co.uk/accessibility/statement/**

 **Please refer to the Directors' Report on page 121 for details of how the BPLC Board continued to monitor Barclays' response to the impact of the COVID-19 pandemic on the Group's activities across the globe, making decisions to support customers and clients, during 2021.**

Building financial wellbeing

As part of our aim to deliver a world-class money management experience and help money work for our customers, we are delivering more tools and features to educate them on managing their money. We are providing knowledge and expertise through our colleagues, whether that be helping customers to use our digital platforms via the Digital Eagles, or supporting customers in their understanding of financial products, to build financial plans, and save money through budgeting via our Barclays Money Mentors®. The Barclays Money Management Hub gives us the ability to provide proactive money management information directly to customers, giving them a better grasp on their spending behaviours and steps they can take to improve their financial wellbeing and provide customers greater control over their finances.

Gambling

Barclays understands that gambling and financial difficulty can often go hand in hand and that customers may sometimes, find it hard to ask for help. We continue to work in partnership with GamCare, a UK charity which provides information, advice and support for anyone affected by problem gambling. GamCare have provided additional training for our specialist financial assistance teams helping them have conversations with customers who are impacted by problem gambling, directly transferring those who need further support to trained GamCare advisers.

In April 2020, the Gambling Commission announced a ban on gambling businesses allowing consumers to use credit cards to gamble. This ban, which relies on gambling operators refusing credit card payments, we issued a Notice of Variation on 26 January 2021 to all Barclaycard customers which applies a block on gambling transactions at a card level. Any transaction classified as gambling will subsequently not be processed.

 **Further details can be found at: barclays.co.uk/gambling-support/**

Domestic abuse

To support customers impacted by domestic abuse, we have worked closely with Refuge, a UK charity providing specialist support for women and children experiencing domestic abuse. This enables us to direct those impacted by domestic abuse to expert advice and assist survivors with the opening of bank accounts and gaining access to banking services in situations where they may not have the requisite documentation.

Economic difficulties

Many customers have been affected by the COVID-19 pandemic, as explained in our 2020 Annual Report, data analysis has been conducted across the Barclays UK customer base to identify specific cohorts of customers who were showing signs of potential financial difficulty in order to assess what support may be required. The help offered to customers has ranged from helping with budgeting, providing them with support directly (including the proactive campaign we ran in June 2021, reaching out to over 163,000 customers via a two-way SMS to offer support) or guiding them towards dedicated functions such as BFA or external agencies such as Step Change where appropriate.

Homelessness

Barclays has continued to work with ProxyAddress, a social enterprise service which enables the use of an alias address to be used for the purposes of connecting those facing homelessness with support, independent of location, to provide access to financial services for people facing homelessness.

Cancer diagnosis

We have worked with Macmillan, a UK-based cancer charity, to provide training to specialist teams to help them have discussions with customers who are impacted by a cancer diagnosis and have concerns over their financial position. This also includes referring customers, where appropriate, to Macmillan for further expert support.

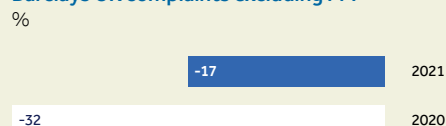
ESG: Governance continued

Bereavement

We continue to work on supporting customers impacted by bereavement. We have seen a sustained improvement in both service levels and customer sentiment across the journey with improved metrics in both call answering times and our survey satisfaction scores since our 2020 Annual Report. Our recently created Online Document Upload portal has supported thousands of customers in their journey since its creation and we have also updated our processes to allow at the time settlement of funeral bills for customers who visit us in branch. Work continues to improve and automate the process.

 Further details can be found at: barclays.co.uk/what-to-do-when-someone-dies/notify-us/

Barclays UK complaints excluding PPI



We received a significant volume of PPI-related claims leading up to the FCA deadline of 29 August 2019. As such, the underlying trend provides a more meaningful comparison.

Barclays Bank PLC complaints



Reportable reflects the FCA's definition of a complaint which must be reported to the FCA on a half yearly basis and published externally on the Barclays Website.

Delegated authority

As a result of the COVID-19 pandemic, we have seen an increased need for those appointed to manage the finances of our customers to verify their identity with us digitally. To build on the introduction of the Office of the Public Guardian's digital 'Use a lasting power of attorney' service in 2020, we have introduced Barclays Verify capabilities to this area of the business; a secure identity verification tool accessible via our app. Barclays Verify enables new customers to verify their identity digitally without needing to visit a branch and has been implemented across a variety of other customer journeys.

Relationship support team

A specialist support team has been created to provide support for front line colleagues when handling cases of complex or extreme vulnerability. This ensures front line colleagues are better equipped to support customers in vulnerable circumstances.

Training for colleagues

38,527 Barclays UK colleagues completed the mandatory Customers in Vulnerable Circumstances annual e-learning modules. The training improves awareness and understanding of vulnerability for our frontline and head office colleagues. Four additional training modules were also updated ensuring greater depth of understanding for colleagues on the overarching drivers of vulnerability.

Banking Made Clearer brochure

Barclays partnered with the British Institute of Learning Disabilities to refresh our Banking Made Clearer brochure; an easier to read guide which uses simple, clear language and imagery.

Complaints Barclays UK

In Barclays UK, we continue to be focused on improving the overall customer experience by identifying and supporting the removal of the root causes of customer complaints. Complaints across Barclays UK in 2021 have further reduced on those received in 2020, with volumes including PPI decreasing 23% YoY (-17% excluding PPI).

This is despite a 12% rise in transactions and interactions across the year as the economy recovered from the COVID-19 pandemic restrictions with the easing of lockdown driving up retail activity as well as monthly spending by customers. An important factor in the reduction in volume of complaints is improved IT stability and resilience with lower IT related outages, and improvements in the roll out of change, minimising material impact.

 Further details can be found at: home.barclays/citizenship/our-reporting-and-policy-positions/UK-complaints-data

Barclays Bank PLC

BBPLC reportable^a complaint volumes in 2021 continued a downward trend, with 21% fewer complaints received in comparison to 2020. As the dominant activity for BBPLC includes card issuing, payment acceptance, lending and investments for businesses, the COVID-19 pandemic, continued to affect activity. This in turn affected complaints with business restrictions or closures resulting in lower volumes of transactions and customer interactions (when compared with pre-pandemic levels), for significant periods of 2021 and most notably for those businesses deemed non-essential.

BBPLC businesses took action to protect colleagues and service to customers wherever possible, with particular focus being given to supporting customers in vulnerable circumstances and those facing financial difficulty during 2021.

BBPLC remains focused on improving the overall customer experience by identifying and supporting the removal of the root causes of customer complaints where possible.

Notes

a. Reportable reflects the FCA's definition of a complaint which must be reported to the FCA on a half yearly basis and published externally on the Barclays Website.

ESG: Governance continued

Barclays recognises that economic crimes have an adverse effect on individuals and communities wherever they occur. Endemic economic crime can threaten laws, democratic processes and basic human freedoms, impoverishing states and distorting free trade and competition.

Financial crime

Barclays recognises that economic crimes have an adverse effect on individuals and communities wherever they occur. Endemic economic crime (particularly when associated with organised crime and terrorist financing) can threaten laws, democratic processes and basic human freedoms, impoverishing states and distorting free trade and competition.

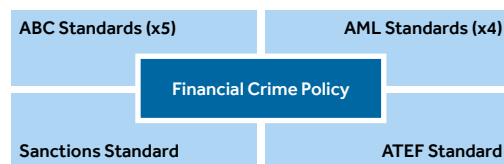
Barclays is committed to conducting its global activities with integrity and respecting its regulatory, ethical and social responsibilities to:

- protect customers, employees, and others with whom we do business, and
- support governments, regulators, and law enforcement in wider economic crime prevention.

We will not tolerate any deliberate breach of financial crime laws and regulations (e.g. bribery, corruption, and money laundering, sanctions, or tax evasion facilitation) that apply to our business and the transactions we undertake.

Barclays has a dedicated global Financial crime function, which sits within Compliance. The Financial crime function facilitates risk-based, effective and efficient financial crime risk management by providing expert support and oversight to the business and our legal entities (Barclays Bank UK PLC and Barclays Bank PLC operate alongside, but independently from one another as part of the Barclays Group under the listed entity, Barclays PLC).

We have adopted a holistic approach to Financial crime and have one group-wide Financial Crime Policy that sets the minimum control requirements in four key risk areas: anti-bribery and corruption (ABC); anti-money laundering and counter-terrorist financing (AML);



anti-tax evasion facilitation (ATEF) and sanctions. This combined approach allows us to identify and manage relevant synergies and connections between the key risk areas.

Eleven group-wide Financial Crime Standards and associated risk-based systems and controls support the Financial Crime Policy, which are:

- designed to help ensure that all Barclays employees, businesses and legal entities comply with all UK, extra-territorial and locally applicable legal and regulatory obligations,
- supported by the Barclays Board of Directors and applicable to all Barclays' legal entities and business dealings globally,
- approved by the Global Head of Compliance (member of the Executive Committee), and
- regularly reviewed for content and effectiveness, which provides senior executive management oversight committees and the Board Audit Committee with the necessary assurance regarding the operating effectiveness of the Barclays Financial Crime Control Framework.

Employees are made aware that failure to comply with the Financial Crime Policy and/or associated Standards may give rise to disciplinary action, up to and including dismissal.

Barclays conducts comprehensive financial crime risk assessments on a regular basis (minimum annually), incorporating bribery and corruption, money laundering, sanctions and tax evasion facilitation.

We have a comprehensive global financial crime training programme which includes mandatory general awareness training delivered via the Barclays learning management system. This training is further supplemented by role-specific enhanced financial crime training (online, paper-based or face to face) for areas of our business where we have identified increased financial crime risks.

Anti-Bribery and Corruption (ABC)

Barclays is subject to the provisions of the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977, which have extra-territorial effect globally, as well as to applicable local anti-bribery and corruption laws.

The Barclays Financial Crime Policy and ABC Standards apply to all our employees, businesses and legal entities and are designed to ensure that Barclays' employees know how to identify and manage the legal, regulatory and reputational risks associated with bribery and corruption. In addition to the general prohibition against engaging in bribery and corruption (giving and receiving), the Standards contain the minimum risk-based control requirements (including ABC review and oversight) that all Barclays businesses, legal entities and employees must follow. The Standards address five key risk areas:

- employment and work opportunity – e.g. employees/prospective employees with connections to external stakeholders and/or Politically Exposed Persons,

- expenditure – e.g. how to deal with facilitation payment requests; gifts & entertainment recording/review processes; charitable donations; commercial sponsorships and political donations,
- third parties – e.g. risk assessment, due diligence, contract clauses and review for suppliers of services who are paid to act for and on behalf of Barclays,
- introducers – e.g. enhanced risk assessment, due diligence, approval, contract clauses, monitoring and review for suppliers who are paid to introduce new customers/business to Barclays, and
- strategic and principal investments – e.g. risk assessment, due diligence and contract clause requirements for Barclays' proprietary investments.

These Standards also provide information about how to obtain guidance/advice and report incidents and form part of a robust ABC control framework, which has been developed to manage our legal, regulatory and reputational risks. This includes activities relating to: assignment of roles and responsibilities; risk assessment; employee training; employee screening; escalation processes; controls testing; assurance and audit.

We benchmark our ABC control framework by taking part in expert working groups and external surveys. For example, Transparency International's (TI) Corporate Anti-Corruption Benchmark, which measures and compares the performance of corporate ABC programmes in the UK using TI's extensive anti-corruption expertise and the input of experienced specialist practitioners. The Barclays ABC control framework currently holds an 'A' rating.

ESG: Governance continued

Anti-Money Laundering (AML)

Money laundering (including terrorist financing and the proliferation of nuclear, chemical or biological weapons) have been identified as major threats to the international financial services community and therefore to Barclays.

The UK, in common with many other countries, has passed legislation designed to prevent money laundering and to combat terrorism. This legislation, together with regulations, rules and industry guidance, form the cornerstone of AML obligations for UK firms and outline the offences and penalties for failing to comply.

The requirements of UK legislation apply to Barclays globally. Group companies may have additional local policies and procedures designed to comply with their local legislation, regulations and any government-approved guidance in the jurisdiction(s) in which they operate. The principal requirements, obligations and penalties currently in force, on which the Barclays AML prevention approach is based, are contained in:

- The Proceeds of Crime Act 2002 (POCA), as amended,
- The Terrorism Act 2000, as amended,
- The Terrorism Act 2006,
- The UK Money Laundering Regulations 2017, as amended, The FCA Handbook of Rules and Guidance (in particular, the 'Senior Management Arrangements, Systems and Controls' (SYSC) Sourcebook, which relates to the management and control of money laundering risk), and
- The Joint Money Laundering Steering group (JMLSG) guidance for the UK financial sector on the prevention of money laundering/combating terrorist financing.

The Barclays Financial Crime Policy and the four associated AML Standards are designed to ensure that all Barclays businesses and legal entities comply with the requirements and obligations set out in UK legislation, regulations, rules and industry guidance for

the financial services sector. This includes the requirement to have adequate systems and controls in place to mitigate the risk of the firm being used to facilitate financial crime. As a transatlantic bank the Standards take account EU and US anti-money laundering requirements, as well as guidance issued by bodies such as the Wolfsberg Group and the European Banking Authority. The Standards focus on four key risk areas: the customer lifecycle; correspondent relationships; politically exposed persons; and wire transfers.

The Standards set out the minimum control requirements, which must be complied with by all Barclays businesses and legal entities, including:

- the appointment of an officer responsible for compliance with the UK Money Laundering Regulations 2017 (as amended), and the appointment of money laundering reporting officers of sufficient seniority, who have responsibility for oversight of business and legal entity compliance with relevant legislation, regulations, rules and industry guidance,
- establishing and maintaining a risk-based approach towards assessing and managing the money laundering and terrorist financing risks to the Group,
- establishing and maintaining risk-based customer due diligence, identification, verification and know your customer (KYC) procedures, including enhanced due diligence for those customers presenting higher risk, such as:
 - Politically Exposed Persons (PEPs),
 - business relationships and transactions with persons established in countries identified as having strategic anti-money laundering and counter-terrorist financing deficiencies ('high-risk third countries'), and
 - correspondent banking relationships.
- Barclays will not enter into or maintain a Business Relationship with, or on behalf of, shell banks or entities with bearer shares where these are prohibited under local law.

Anti-Tax Evasion Facilitation

Barclays takes a zero-tolerance approach to deliberate facilitation of tax evasion in any country and has procedures in place to prevent it. We also expect the same from our employees and third parties providing services for or on our behalf.

We comply with the UK Criminal Finances Act 2017 and all applicable tax evasion/tax evasion facilitation laws wherever we do business.

Tax evasion is a financial crime and a predicate offence to money laundering in the UK and in many other countries in which we operate. Barclays is committed to:

- dealing only with customers who have appropriately declared their assets to the relevant tax authorities, and
- preventing tax evasion facilitation by our employees or third parties acting for or on our behalf.

We have an Anti-Tax Evasion Facilitation Standard, which addresses the risks associated with employees and third parties who act for or on behalf of Barclays. This includes:

- prohibiting employees from facilitating tax evasion,
- ensuring that we take account of tax evasion/tax evasion facilitation as red flags for suspicious activity,
- subjecting third party and introducer/intermediary relationships to specific anti-tax evasion facilitation controls, including risk assessment, due diligence, contract clauses, monitoring and review, and
- information about how to obtain guidance/advice on tax-related matters and report incidents.

Sanctions

Sanctions are restrictions on activity with targeted countries, governments, entities, individuals and industries that are imposed by bodies such as the European Union (EU), the United Nations (UN), groups of countries, or individual countries, such as the United Kingdom and the US.

As a global financial institution, Barclays must comply with applicable sanctions laws and regulations in every jurisdiction in which it operates, or which apply to it because of its place of incorporation. In addition, in order to protect its reputation and other legitimate business interests, in certain circumstances, Barclays sanctions risk appetite may be stricter than its legal obligations.

The Financial Crime Policy and associated Sanctions Standard are designed to ensure that Barclays and its employees know how to identify and manage the risks associated with sanctions, including the risk that activity is undertaken through Barclays in breach of sanctions regulations.

To achieve this, the Sanctions Standard sets out the mandatory minimum control requirements, which must be complied with by all Barclays businesses and legal entities, including controls relating to: developing procedures; identifying applicable laws and regulations; risk assessments; transaction, customer and employee screening; escalation processes; and records retention.



The Barclays financial crime statement and more information on Barclays Tax Principles can be found at: home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/

ESG: Governance continued

We want to foster a culture where our colleagues feel safe to speak up.

Whistleblowing

Barclays is committed to providing a respectful and inclusive environment to work in. Colleagues are encouraged to speak up about actions and behaviours that have no place in the organisation. Through our YourView survey in 2021, 79% of global respondents said it was 'safe to speak up'. Individuals are encouraged to raise concerns directly to their management, Compliance, HR or Legal. However, sometimes employees do not feel comfortable using these avenues. To help them, Barclays has a dedicated independent Raising Concerns process, through which colleagues can report their concerns in the knowledge that the reports will be taken seriously, and managed sensitively and confidentially.

The Raising Concerns team will assess the concerns raised and refer them to the most appropriate team for review and, where appropriate, investigation. The Raising Concerns reporting channels are also available externally. Concerns assessed as whistleblowing will be directed to a dedicated team within Compliance. Whistleblowing is a core element of Raising Concerns at Barclays.

Whistleblowing relates to concerns which fall within the wider public interest, such as a breach of our policies and procedures; breaches of law and regulation; and behaviour that harms or is likely to harm the reputation or financial wellbeing of the Group. All whistleblowing reports are taken seriously and no-one should experience any form of overt or covert retaliation of any kind. Any confirmed instances of retaliation will be dealt with extremely seriously.

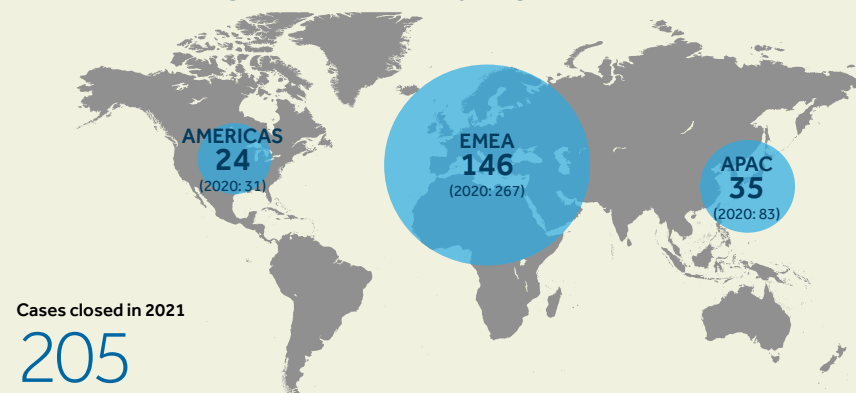
In 2021, the whistleblowing team opened a total of 134 whistleblowing concerns down 58% (2020: 319) including 32 retaliation concerns raised by 14 unique whistleblowers. 319 were opened in 2020 including, 129 COVID-19 concerns. The number of concerns raised anonymously during 2021 has also decreased in 2021 compared to 2020 which may suggest that colleagues are more comfortable raising concerns without fear of retaliation.

205 whistleblowing matters were closed in 2021, of which 19% were found to have some level of substantiation. None of the retaliation concerns closed in 2021 were substantiated.

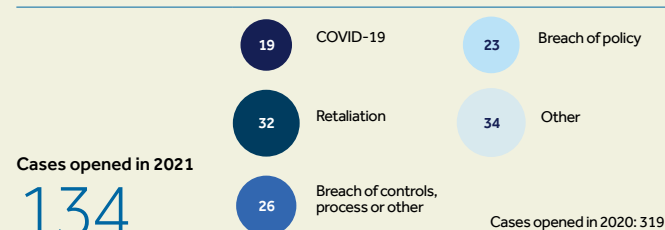
The Chair of the Group Board Audit Committee has been appointed as the Group Whistleblowers' Champion and additionally, the Chair of the Barclays Bank UK PLC (BBUKPLC) Board Audit Committee has been appointed as the BBUKPLC Whistleblowers' Champion. They have responsibility for ensuring and overseeing the integrity, independence and effectiveness of Barclays' whistleblowing programme across their respective entities.

→ Please refer to pages 131, 133 and 137 and the BBPLC and BBUKPLC 2021 Annual Reports available at: home.barclays/investor-relations/reports-and-events/annual-reports/ for details of the BPLC, BBPLC and BBUKPLC Board Audit Committee oversight in relation to Barclays' whistleblowing policies and procedures.

Whistleblowing cases closed by region



Whistleblowing cases opened by category



ESG: Governance continued

We have strict policies to protect privacy and keep data secure.

Managing data privacy, security and resilience

Data privacy

Privacy and data protection laws vary across the jurisdictions in which we operate, but in general reflect a growing appreciation for the importance of privacy and transparency when we hold or process personal data. We operate in accordance with these standards and we recognise sound privacy practice is a key element of good corporate governance and responsibility.

Our Data Privacy governance framework provides a common set of requirements for processing personal data within Barclays. A core central privacy compliance team together with privacy leads in our key jurisdictions provide essential support and expertise for businesses across the Barclays Group. A Group Data Protection Officer (DPO) reports on data privacy issues and compliance to the highest level of management, ensuring there is appropriate awareness, accountability and oversight for privacy matters.

A comprehensive Group-wide Barclays Privacy Standard sets out for Barclays businesses and functions globally how we expect them to collect, handle, store, share, use and dispose of personal information. Colleagues must complete annual privacy training which is reviewed and refreshed each year. Additional tailored training is provided as necessary upon request to meet specific needs.

Through customer and employee Privacy Notices, we endeavour to explain clearly and openly how and why we use personal information, how it might be shared, and the legal grounds relied on for processing personal data. Customers and the public may raise any concerns with the Group DPO via a public mailbox. Several jurisdictions provide individuals with a right to request access to their personal data. To meet obligations in this respect Barclays provides dedicated secure means to enable individuals to make their requests and receive responses from a dedicated team.

We also maintain third-party controls and obligations to look to ensure any personal data handled by our suppliers is appropriately safeguarded and respected throughout our supply chain.

Data privacy is an important matter for our customers, employees and management of Barclays. When we receive complaints we seek to address them fairly and completely.

Data security

In 2021, we continued to strengthen our data security policies and controls to protect the Group's sensitive information and the data that has been entrusted to us by customers and clients.

In particular during 2021, we have introduced additional automated controls to discover data that is highly sensitive but not protected in line with our standards. This data is then either protected in line with its sensitivity or removed in line with our data retention requirements, if its continuing availability carries residual risk.

As Barclays accelerates the migration of digital services to the cloud, we apply the same design principles that underpin our existing control environment. We have strong controls and monitoring in place designed to ensure that cloud-hosted data is secure and maintains its integrity.

Barclays has also taken significant additional steps in 2021 to assure the security of data we share with third parties, including conducting on-site inspections with some suppliers to review their controls against contractual obligations and industry standards.

As we transition to a more hybrid working model we have augmented the education we provide to colleagues and strengthened the monitoring of how customer and client data is accessed and used to help minimise the risk of exploitation or leakage.

Chief Security Office

The Chief Security Officer for the Group heads the Chief Security Office, and they report directly to the Chief Operating Officer who sits on the Group Executive Committee.

The Group has an Information and Cyber Security Policy supported by ten Standards which define the minimum requirements for cyber security matters across the entire Barclays Group.

Data resilience

The Barclays Chief Security Office (CSO) has a set of preventative key controls that mitigate cyber-related risks. These focus on understanding internal and external threats and delivering our capability to counteract them. Large-scale data corruption is one cyber threat on which we are focused. Major risk events have been seen in other organisations and Barclays is focused on continuously reviewing and improving our response and recovery plans in preparation for these evolving threats. Our teams use intelligence to create plausible cyber security and data compromise scenarios which we simulate to help us focus on continuous improvement.

ESG: Governance continued

Operational resilience

Operational Resilience is a key priority for the Barclays Board and is the responsibility of everyone in Barclays. Customers and clients have increased expectations for us to be 'Always On' and the interconnectivity of the financial sector means the stability and resilience of our systems, workforce and continued provision of third-party services all have a direct impact on the quality of our service.

Barclays continues to invest in a multi-year Resilience Programme which is focused on our ability to recover from 'severe but plausible' scenarios which could cause detriment to our customers, clients and the broader financial market.

To enable this, we define Group-wide business services and their interdependencies across the Group including technology, third party services and our workforce and develop the recovery plans and business response plans required should a disruption event occur. We review and validate these mechanisms on an ongoing basis, through regular testing with the aim of reducing the volume and impact of operational incidents year-on-year. We also conduct regular assurance on third parties to assess their capability.

Resilience and security is set as a priority from the BPLC Board and is the responsibility of everyone within the Group. Every colleague must complete mandatory training at regular intervals across the year.

→ Please refer to page 141, 143 and 147 for details of BPLC Board Risk Committee oversight relating to operational resilience.

→ Please refer to the 'Material existing and emerging risks' section in our Risk review on pages 204 to 215 for further details on cyberattacks, data management and information protection.

→ Please refer to the 'Supervision and regulation' section in our Risk review on pages 289 to 294 for further details on our regulatory approach to managing such risks.

Training

Barclays has adopted a 65-day window for Mandatory Training completion to allow colleagues sufficient time to complete training. The consequence of non-completion is a breach which can lead to disciplinary action and can impact compensation. The 65-day window covers many different colleague situations including new joiners, returners from sick leave, parental leave and internal movers. Some of these situations are required by law to have a reasonable adjustment time to enable the successful completion of training. This process is managed by Barclays HR and compliance.

Reporting phishing

The Chief Security Office performs a number of key activities related to identifying, investigating, responding to and containing phishing / malicious email incidents. The CSO have embedded an operational process that provides education and awareness content via email to colleagues who clicked a malicious link or attachment in a phishing email with escalating training exercises and management interventions for each repeated instance.

Colleagues can select within their mailbox to report any suspicious phishing emails to the Barclays Joint Operations Centre (JOC) for further investigation. All colleagues have a reporting tool integrated into their email account, enabling them to report suspected phishing mails for investigation and receive feedback on whether the reported mail was suspect, genuine or part of an educational campaign.

Certifications

Barclays holds three ISO27001 certifications (being the international standard on how to manage information security) and successfully renewed the Triennial Recertification for Barclays Corporate Banking (Government Banking Service). Barclays also has a UK certification for Digital Banking.

ESG: Governance continued

Barclays has a responsibility to engage with governments and policymakers appropriately, always remaining politically neutral.

Contributions, associations and memberships

Political contributions

Barclays is politically neutral and does not engage in party political campaigning or make party political donations as a Group. We engage with governments on issues relevant to our business, our customers and clients, and our employees, and we look to ensure that any communication undertaken is honest, comprehensive and accurate. Barclays does not give any money for political purposes in the UK, the EU or outside of the EU, nor does it make any political donations to political parties or other political organisations, or to any independent election candidates, or incur any political expenditure.

In the US, in accordance with the Federal Election Campaign Act, Barclays provides administrative support to a federal Political Action Committee (PAC), which is funded by the voluntary and individual political contributions of eligible Barclays' employees. The PAC is not controlled by Barclays and all decisions regarding contributions are directed by a steering committee, which is comprised of employees eligible to contribute to the PAC.

The Federal Election Commission, in the US, publishes reports on PAC financial data, including individual contributions to the PAC and PAC disbursements throughout the year. Barclays also complies with applicable laws and requirements in relation to government engagement and lobbying, as well as the disclosure and publication of lobbying expenditure in all of the jurisdictions in which they are applicable. In the US, the Lobbying Disclosure Act (LDA) database publishes quarterly reports on our lobbying activity, including topics of discussion, Barclays' employees who are registered lobbyists, and government bodies engaged within that quarter.

→ For further details, see also our position on political contributions within the Director's Report on page 157.

Public policy engagement

As a major economic contributor – whether via the customers and clients we serve, the colleagues we employ, or the tax we pay – we believe it is important to contribute towards relevant public policy debates. To this end, we engage constructively with policymakers in jurisdictions where the firm operates, including with governments, legislatures, trade associations, consumer groups and other organisations like think tanks and NGOs.

In our discussions, we know we have a responsibility to be accurate, honest and evidence-based. We also believe that Barclays should only engage on issues where we have a legitimate interest (for example, where there is a direct consequence for our business, our customers and clients, or our colleagues).

We are committed to being transparent. On our Public Policy Engagement website, we publish material responses to public policy consultations, the agencies we work with in different jurisdictions, as well as key trade association memberships. (In the US, responses to public consultations are published on government websites.)

Responsibility for the coordination and oversight of public policy advocacy lies with the Group Head of Public Policy and Corporate Responsibility, working in partnership with the regional heads of government relations and regulatory relations via an internal Group Public and Regulatory Policy Steering Group.

Barclays retains the services of public affairs agencies in a number of locations. These agencies primarily assist with political monitoring and strategic advice. In order to

meet our accountability and oversight commitments in relation to agencies, we work very closely with them on a day-to-day basis to help ensure the Government Relations team has oversight of the work being undertaken for the firm. In the US, third party advocacy engagement is also publicly reported, as required by the LDA.

Additionally, Barclays is a member of a number of trade associations globally. These associations work to represent their members, and for many this involves undertaking work to shape industry's collective response to various public policy issues. We seek to be an engaged and productive member of all associations in which the firm participates. The main mechanism for achieving this is through the committees and working group structures that exist within each trade association. To manage our major trade association engagement and meet our accountability and oversight commitments, the Government Relations team monitors who from the firm sits on which working group, and designed to ensure that there is a constant two-way flow of information in and out of those forums.

 Further details can be found at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/public-policy-engagement/


Memberships and signatories

Barclays is a member of a number of associations (such as industry associations) and national or international advocacy organisations in which the organisation:

- holds a position on the governance body,
- participates in projects or committees, and
- provides substantive funding beyond routine membership dues, and views membership as strategic.

Sustainability memberships and initiatives

- Banking Environment Initiative
- Ceres
- Equator Principles
- Financial Services Taskforce (FSTF)
- Net-Zero Banking Alliance (NZBA)
- Partnership for Carbon Accounting Financials (PCAF)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Thun Group
- United Nations Environment Programme Finance Initiative (UNEP FI)
- United Nations Principles of Responsible Banking (PRB)
- UN Principles of Responsible Investment (UN PRI); Barclays Asset Management Ltd and Barclays UK Retirement Fund are signatories.

 Further details can be found at: home.barclays/sustainability/esg-resource-hub/

ESG: Governance continued

Barclays supports a fair and transparent tax system.

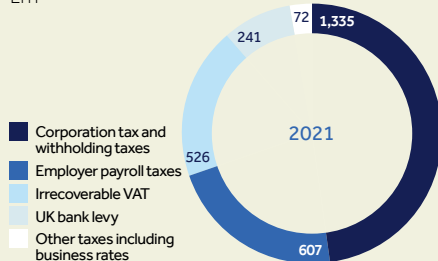
Tax

Taxes paid globally

£2,781m


Taxes paid globally

£m



2020 taxes paid globally £2,113m

Barclays has a responsible approach to tax, strong governance and risk management over tax risk and is committed to transparency around tax.

 For further details, see our Country Snapshot Report at: home.barclays/investor-relations/reports-and-events/annual-reports/

Tax contribution

We continue to make substantial tax contributions across the jurisdictions in which we operate, both in terms of taxes paid and taxes collected. Our total tax contribution for 2021 was £5,792m. This includes taxes paid of £2,781m which represent a cost to us, and taxes collected on behalf of governments of £3,011m.

Barclays was ranked as the fourth-largest UK taxpayer, in terms of taxes paid, in the most recent PwC Total Tax Contribution survey of the One Hundred Group ('100 Group'). The 100 Group represents members of the FTSE 100 along with several large UK private companies. Over the last decade, we have consistently been ranked as one of the top five largest UK taxpayers, paying over £14bn of taxes in the UK alone.

Approach to tax

Barclays' Purpose is to deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term. Our approach to taxation, also known as our tax strategy, is aligned with this Purpose as well as our Values of Respect, Integrity, Service, Excellence and Stewardship.

Our approach to tax has three core objectives:

- responsible approach to tax,
- effective interaction with tax authorities, and
- transparency in relation to our tax affairs.

We manage our tax affairs in accordance with our Tax Principles and tax code of conduct, HMRC's Code of Practice on Taxation for Banks, and aim to file our returns on time and pay the correct amount of tax. We are committed to only dealing with customer or client assets that have been appropriately declared to the relevant tax authority.

We are committed to being a leader in tax transparency. We have published details of the taxes we pay by country and our approach to tax since 2013, and have chosen to expand external publications such as the Country Snapshot. We make clear disclosures to tax authorities.

Our Country Snapshot is publicly available and sets out our approach to tax in detail, including our Tax Principles. Our Country Snapshot including our UK tax strategy is reviewed and approved annually by the Barclays PLC Board Audit Committee.



Barclays was ranked as the fourth-largest UK taxpayer, in terms of taxes paid, in the November 2021 PwC Total Tax Contribution survey of the One Hundred Group.

ESG: Governance continued

Key highlights on our approach to tax include:

- we follow clear Tax Principles that we have published. These allow us to balance the needs of all our stakeholders and make clear that tax planning must support genuine commercial activity,
- as a result of this approach, transactions which artificially transfer profits into a low tax jurisdiction would not be consistent with our Tax Principles,
- we seek to comply with the spirit as well as the letter of the law and we take account of established practice in the territories in which we operate. We are transparent in both the disclosure of our tax affairs to tax authorities as well as our tax reporting to other stakeholders, and
- we aim to comply with all of our tax obligations in the territories in which we operate and where there is uncertainty we may seek external tax advice in order to help ensure our tax filings are appropriate.

Tax governance, control and risk management

As a Globally Systemically Important Bank, our Group-wide risk and governance procedures are subject to continuous review and scrutiny. More details on our approach to tax governance, control and risk management can be found in our Country Snapshot, the key highlights of which include:

- our Board has ultimate responsibility for tax matters and the Board Audit Committee oversees our approach to tax,
- at Barclays, risks are identified and managed through our ERMF, which supports the business in its aim to embed effective risk management and a strong risk management culture. Under the ERMF risk, including tax risk is managed in accordance with a 'three lines of defence' model,

- as part of the 'first line of defence' the tax department identifies and manages tax risk by developing appropriate policies, standards and controls to apply across our organisation. Risk and Compliance comprise the 'second line of defence', and Barclays Internal Audit are the 'third line of defence', and these functions review, challenge and provide assurance to the Board in relation to the effectiveness of governance, risk management and controls including those relating to tax risk,
- we are subject to the Sarbanes-Oxley Act control requirements in relation to financial statements disclosures including those related to tax,
- our tax department comprises appropriately qualified in-house professionals who are subject to clear standards including that they uphold our Tax Principles and follow our tax code of conduct, which is an integral part of how we operate,
- our governance requires that suitably qualified people are involved in decisions related to tax, tax is fully taken into account when making business decisions and tax risk is identified, assessed and kept under review, and
- we have no tolerance for tax evasion and have well-established mechanisms for raising concerns about unethical or unlawful behaviour through our 'Whistleblowing' policy, which applies equally to tax matters.

→ **The BPLC Board Audit Committee is responsible for considering the Group's tax strategy and overseeing compliance with the Group's Tax Principles. Please refer to page 136 for details of BPLC Board Audit Committee oversight of tax related matters.**

Stakeholder engagement and management of concerns related to tax:

Our reputation is very important to us and we take our external stakeholders' expectations into account when we make decisions in relation to our tax affairs. More details on our approach to stakeholder engagement and managing stakeholder concerns related to tax can be found in our Country Snapshot, and key highlights include:

- we believe that it is important to be transparent in the disclosure of our tax affairs both to tax authorities and stakeholders more broadly,
- our dealings with tax authorities are handled proactively, constructively and transparently, in real-time where possible,
- we recognise that early resolution of our tax affairs is in everyone's interest. We have ongoing engagement with tax authorities to discuss their inquiries and material issues in relation to our tax affairs, and we respond to feedback from tax authorities,
- where we face significant uncertainty in relation to the application of tax law, we may seek to agree with the tax authority how the tax law should apply,
- where relevant we seek to reach agreement with tax authorities using mechanisms available to all taxpayers including Advance Pricing Agreements and Mutual Agreement Procedures to clearly establish in which territories our profits should be taxed,
- we engage with governments, tax authorities and NGOs through public consultations and other discussions to assist with the development of tax policy and the improvement of tax systems, and maintain our transparency with these stakeholders, and
- we cooperate with tax authorities globally to reduce the scope for individuals and companies to evade tax, and have met all of our 2021 information reporting obligations under the Common Reporting Standard and Foreign Account Tax Compliance Act.

Additional disclosures

Clear, credible and accessible ESG information is critically important to enable effective investment decision-making, support company and investor engagement and underpin the growing range of products based on ESG factors.

ESG: Additional disclosures continued

A high-level summary of our climate-related disclosures. More detailed information about the climate related governance, strategy, risk management (including scenario analysis) and metrics and targets used by Barclays is available in our dedicated TCFD Report.

Summary of climate-related financial disclosures

Section	Response to TCFD Recommendation in our TCFD Report
Governance	<p>a) We describe the board's oversight of climate-related risks and opportunities</p> <p>b) We describe management's role in assessing and managing climate-related risks and opportunities.</p>
Strategy	<p>a) We describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term</p> <p>b) We describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</p> <p>c) We describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>
Risk management	<p>a) We describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) We describe the organization's processes for managing climate-related risks.</p> <p>c) We describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>
Metrics and targets	<p>a) We disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) We disclose scope 1, scope 2, and, if appropriate, scope 3 Greenhouse Gas (GHG) emissions, and the related risks.</p> <p>c) We describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>

Climate strategy

1. Achieving net zero operations

Barclays is working to achieving net zero operations and supply chain emissions, investing in the continued decarbonisation of our operations and in the development of a net zero pathway for the emissions from our supply chain.

2. Reducing our financed emissions

Barclays is committed to aligning its financing with the goals and timelines of the Paris Agreement.

3. Financing the transition

Barclays is providing green and sustainable finance required to help transform the economies we serve.

Our strategy is underpinned by the way we assess and manage our exposure to climate-related risk. From 2022, climate risk will be a Principal Risk under Barclays' Enterprise Risk Management Framework.

ESG: Additional disclosures continued

Governance

The Barclays PLC Board sets the strategic direction and risk appetite of the Group and is the ultimate decision-making body for matters of Group-wide strategic, financial, regulatory or reputational significance. The Board is also responsible for the oversight of social and environmental matters, including climate-related risks and opportunities.

Risk Management

In 2020, the Board Risk Committee made the decision that climate risk would become a Principal Risk within the ERMF from 2022. The elevation of climate risk to Principal Risk recognises that it is relevant and material enough to merit establishing a specific bank-wide framework, in line with other Principal Risks.

Scenario analysis

Scenario analysis forms a key part of Barclays' approach to assessing and quantifying the impact from climate change. We have developed our approach to scenario analysis through detailed quantitative and qualitative risk assessments of particular portfolios and activities.

Metrics and targets

We have developed metrics and targets to track progress against our climate strategy. The adoption of climate-related metrics are helpful for financial sector stakeholders seeking to try to price and manage climate-related risks. In developing our metrics and targets we continue to develop our methodology, including adding granularity and updating external client and industry data as these become available over time. These metrics and targets are used to measure and manage our climate-related risks and opportunities. We summarise progress against our existing set of targets aligned to our climate strategy: operational net zero; portfolio alignment (as shown using our BlueTrack™ methodology); and financing the transition towards a low-carbon economy.

UK Listing Rules statement of compliance

We are pleased to confirm that we have included in our TCFD Report climate-related financial disclosures consistent with the four recommendations and the eleven recommended disclosures set out in the June 2017 report entitled Recommendations of the Task Force on Climate-related Financial Disclosures.

This is our fifth TCFD report. For ease of review, and given the detailed and technical content of the TCFD Report, we have once again published this as a standalone report.

In October 2021, the TCFD released additional guidance implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (2021 TCFD Annex), which supersedes the 2017 Annex of the same name (2017 TCFD Annex). In line with the current UK Listing Rules requirements, our TCFD-aligned disclosures take

into account the implementation recommendations in the 2017 TCFD Annex. In addition, we have considered the 2021 TCFD Annex and applied it where possible.

Some recommendations in the 2021 TCFD Annex will require more time for us to fully consider.

We will be working to implement the rest of the 2021 TCFD Annex recommendations over the course of 2022 and intend to apply these more fully in our next TCFD Report.



The TCFD Report is available within the Annual Report suite at: <https://home.barclays/investor-relations/reports-and-events/annual-reports/>



Further details on the TCFD Recommendations and Recommended Disclosures are available at: fsb-tcdf.org

ESG: Additional disclosures continued

We continue to enhance our disclosures and actively engage with ESG analysts and rating agencies. Barclays' strategy and performance on ESG factors is evaluated by a range of external agencies.

External ESG ratings and benchmarks

Across a set of key ESG ratings, our performance improved or remained stable for most ratings year-on-year, with methodology changes the primary drivers of scoring rather than underlying changes in approach or performance.

We continue to enhance disclosures on ESG factors and provide detailed information on our positions and policy statements. As disclosures are a significant driver of ESG ratings performance, we would expect this to continue to support our ratings and benchmarks over time.

We are further engaging with our stakeholders, including ratings agencies, investors and expert bodies, to improve transparency and enhance understanding of different assessment frameworks and ESG scoring models used by the various agencies.

There is currently some inconsistency in terms of what best practice looks like and how it is measured across different ratings agencies. This is reflected in the variance in methodologies, and therefore in the variance in Barclays' ESG rating across the different providers. There is limited consistency in the underlying data used both within and across sectors.

While this remains an unregulated area, we believe that

it is important that these agencies, working with companies, investors and other market participants, continue to enhance consistency and transparency to support increasingly robust ESG data and ratings in the future.

We recognise that markets and stakeholders need clear, relevant and consistent information and we will continue to focus on enhancing our disclosures. This year, we have launched a new online ESG Data Hub on our ESG Resource Hub website, providing access to key ESG related metrics in a single place.

→ Please refer to pages 122, 123 and 128 for details of BPLC Board consideration of matters relating to the reporting and monitoring of ESG related data.

Select ESG ratings and benchmarks

MSCI ESG Rating

AA

2020: A
2019: BBB

Scale (best to worst): AAA to CCC
Barclays' rating was upgraded to 'AA' in 2021.

ISS QualityScore Environment

1

2020: 1
2019: 1

Scale (best to worst): 1-10
ISS assigns environmental and social quality scores for corporate disclosures. Barclays' score represents the best possible score.

Sustainalytics ESG Risk Rating

25.1

2020: 23.9
2019: 31.7

Scale (best to worst): 0-100 with negligible (<10), low (10-20), medium (20-30), high (30-40) and severe (>40)
Barclays rating was stable at 'medium' risk year-on-year.

ISS QualityScore Social

1

2020: 1
2019: 1

Scale (best to worst): 1-10
ISS assigns environmental and social quality scores for corporate disclosures. Barclays' score represents the best possible score.

S&P Global CSA

78

92nd percentile
2020: 77 (88th percentile)
2019: 70 (77th percentile)

Scale (best to worst): 100-0
We saw an increase in our percentile score to the 92nd percentile for banks, up from 88th in 2020 and an increase in our score to 78, from 77.

ISS ESG Corporate Rating

C-

2020: C-
2019: C-

Scale (best to worst): A+-D
Our ISS ESG Corporate rating was stable at C-. In which, C+ is the best possible score for banks.

CDP Climate Change

B

2020: B
2019: A-

Scale (best to worst): A-D-
Barclays' performance was stable year-on-year with improvements in underlying scoring categories.

Moody's ESG Solutions^a

55

2020: 49
2019: 48

Scale (best to worst): 100-0 with advanced (>60), robust (50-59), limited (30-49) and weak (0-29)
Barclays' rating improved from 'limited' to 'robust' year-on-year.

FTSE Russell ESG Rating

4.2

92nd percentile
2020: 4.7 (94th percentile)
2019: 4.8 (97th percentile)

Scale (best to worst): 5-0
Barclays' performance decreased from the 94th to the 92nd percentile in 2021 due to methodology changes.

Workforce Disclosure Initiative (WDI)

82%

2020: 77%
2019: 32%

Scale (best to worst): 100%-0%

Note

^a This ESG assessment was originally provided by VE, which is now part of Moody's ESG Solutions.

ESG: Additional disclosures continued

Additional information on key Environmental, Social, and Governance related topics across Barclays.

ESG Resource Directory

Barclays ESG Resource Hub

Reporting and Disclosures

Annual Report Suite

To view or download the latest, and archived annual reports.

- Barclays Climate-Related Financial Disclosures
- Barclays PLC Diversity and Inclusion Report
- Barclays PLC Fair Pay Report
- Barclays UK Pay Gaps Disclosure
- Barclays PLC Country Snapshot
- Barclays PLC Pillar 3 Report
- Globally Systematic Important Institutions (GSIs) Disclosure

Additional ESG Disclosures

- ESG Data Hub
- ESG Investor Presentations
- Principles for Responsible Banking (PRB) Reporting and self-assessment template
- Sustainability Accounting Standards Board (SASB)
- Global Reporting Initiative (GRI) Index

KPMG LLP Limited Assurance Statement

Reporting and Measurement Methodology

- Barclays Sustainable Finance Framework
- Introducing BlueTrack™
- ESG Reporting Framework

Additional Resources

- ESG ratings and benchmarks
- Managing our operational footprint
- Postcode lending data
- Access to financial and digital empowerment
- UK complaints data
- UK branch closures
- Public policy engagement
- Environmental risks in lending

Partnerships

- BLUE Marine Foundation

Barclays' statements and policy positions

Our approach to Sustainable Finance

- Barclays Sustainable Impact Capital Initiative
- Barclays Green Bonds
- Corporate Investment Bank (CIB) – Solving Sustainable
- Barclays Research Impact Series
- Sustainable Green Solutions (Corporate Bank)
- Private Bank – Impact Investing
- Private Bank – Discretionary Portfolio Management
- Private Bank – Investing for Global Impact Report
- Sustainable, ESG and Impact investing (Wealth)
- Barclays Green Loans (Barclays UK)
- Barclays Green Home Mortgages (Barclays UK)
- Barclays Green Buy-to-Let Mortgages (Barclays UK)



Further details on our firm-wide initiatives can be found online within the ESG Resource Hub

ESG: Additional disclosures continued

Important information

- In preparing the ESG section within the Barclays PLC Annual Report, we have:
- made a number of key judgements, estimations and assumptions, and the processes and issues involved are complex. This is for example the case in relation to financed emissions, portfolio alignment, classification of environmental and social financing, operational emissions and measurement of climate risk.
- used ESG and climate data, models and methodologies that we consider to be appropriate and suitable for these purposes as at the date on which they were deployed. However, these data, models and methodologies are not of the same standard as those available in the context of other financial information, nor subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. There is an inability to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies will also be affected by underlying data quality which can be hard to assess.
- appointed KPMG LLP to perform limited independent assurance over selected ESG (including climate-related disclosures) content marked with Δ . The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements. A limited assurance opinion was issued and is available at the website link below. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this section of the Annual Report has been subject to external assurance or audit.
- the data, models and methodologies used and the judgements estimates or assumptions made are rapidly evolving and this may directly or indirectly affect the metrics, data points and targets contained in this section of the Annual Report. We continue to review and develop our approach to data, models and methodologies in line with market principles and standards as this subject area matures. Further development of accounting and/or reporting standards could impact (potentially materially) the performance metrics, data points and targets contained in this report. In future reports we may present some or all of the information for this reporting period using updated or more granular data or improved models, methodologies, market practices or standards. Such re-presented information may result in different outcomes than those included in this section of the Annual Report. Where information is re-presented from time to time, we will identify this and (where we think it is appropriate) include an explanation. It is important for readers and users of this report to be aware that direct like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another.



The limited assurance opinion is available at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Shareholder information

Annual General Meeting (AGM)

Location

Manchester Central Convention Complex,
Petersfield, Manchester M2 3GX

And virtually via electronic platform

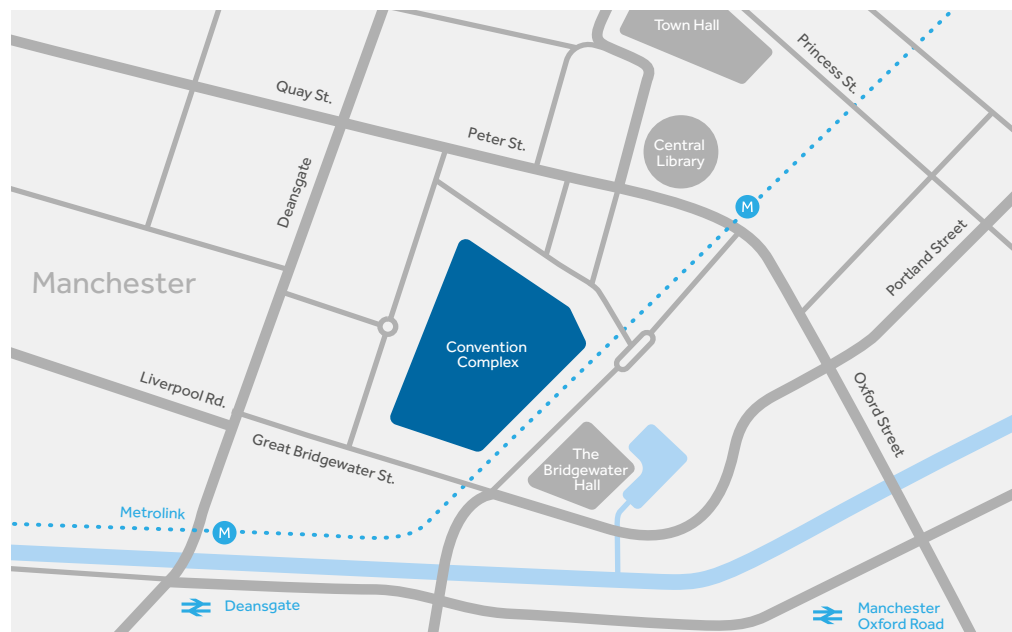
Date

Wednesday, 4 May 2022

Time

11.00am

The arrangements for the Company's 2022 AGM and details of the resolutions to be proposed, together with explanatory notes, will be set out in the Notice of AGM to be published on the Company's website (home.barclays/agm).



Key dates

5 April 2022

Full year dividend payment date

28 April 2022

Q1 2022 Results Announcement

4 May 2022

Annual General Meeting at 11.00am

Keep your personal details up to date

Please remember to tell Equiniti if:

- you move; or
- you need to update your bank or building society details.

If you are a Shareview member, you can update your bank or building society account or address details online. If you are not a Shareview member and you hold 2,500 shares or less, you can update details quickly and easily over the telephone using the Equiniti contact details overleaf. If you hold more than 2,500 shares you will need to write to Equiniti.

Dividends

The Barclays PLC 2021 full year dividend for the year ended 31 December 2021 will be 4.0p per share, making the 2021 total dividend 6.0p per share.

Save time and receive your dividends faster by having them paid directly into your bank or building society account

It is easy to set up payment directly to your bank account by completing a bank mandate, meaning your money will be in your bank account on the dividend payment date. If you hold 2,500 shares or less, you can provide your bank or building society details quickly and easily over the telephone using the Equiniti contact details overleaf. If you hold more than 2,500 shares, please contact Equiniti for details of how to change your payment instruction.

Dividend Re-investment Plan

Barclays offers a share alternative in the form of a dividend reinvestment plan (DRIP) for those shareholders who wish to elect to use their dividend payments to purchase additional ordinary shares, rather than receive a cash payment. The DRIP is provided and administered by Barclays' registrar, Equiniti.



Further details regarding the DRIP can be found at home.barclays/dividends and www.shareview.co.uk/info/drip

Dividend Payments

Barclays has made the decision that from February 2023, dividends will no longer be paid by cheque. All future dividends will be credited to a shareholder's nominated bank account or building society. We believe this decision is beneficial for our shareholders to safeguard dividends by using a more secure payment method, as well as removing our environmental impact of printing and posting cheques. We will be writing to shareholders with more information about our intention to cease payment of dividends by cheque when we send out our full year dividend stationery.

Shareholder information continued

Shareholder security

Shareholders should be wary of any cold calls with an offer to buy or sell shares. Fraudsters use persuasive and high pressure techniques to lure shareholders into high-risk investments or scams. You should treat any unsolicited calls with caution.

Please keep in mind that firms authorised by the Financial Conduct Authority (FCA) are unlikely to contact you out of the blue. You should consider getting independent financial or professional advice from someone unconnected to the respective firm before you hand over any money.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at [fca.org.uk/scams](https://www.fca.org.uk/scams). You can also call the FCA Helpline on 0800 111 6768 or through Action Fraud on 0300 123 2040.

Reducing our Environmental Impact

In line with our targets to reduce our environmental footprint, as part of our Notice of AGM mailing we will be writing to those shareholders who currently receive a paper copy of our Annual Report to ask them to re-consider their shareholder communication preferences.



The Annual Report will continue to be available online at home.barclays/investor-relations/reports-and-events/annual-reports/

Managing your shares online

Shareview

Barclays shareholders can go online to manage their shareholding and find out about Barclays performance by joining Shareview. Through Shareview, you:

- will receive the latest updates from Barclays direct to your email;
- can update your address and bank details online;
- can vote in advance of general meetings.

To join Shareview, please follow these three easy steps:

- Step 1** Go to portfolio.shareview.co.uk
- Step 2** Register for electronic communications by following the instructions on screen
- Step 3** You will be sent an activation code in the post the next working day

Returning funds to shareholders

Over 60,000 shareholders did not cash their Shares Not Taken Up (SNTU) cheque following the Rights Issue in September 2013. In 2021, we continued the tracing process to reunite these shareholders with their SNTU monies and any unclaimed dividends and by the end of the year, we had returned approximately £480,309 to our shareholders, in addition to the approximately £27,000 returned in 2020, £23,000 returned in 2019, £65,000 returned in 2018, £212,000 returned in 2017, £1.65m returned in 2016 and £2.2m in 2015.

Useful contact details

Equiniti

The Barclays share register is maintained by Equiniti. If you have any questions about your Barclays shares, please contact Equiniti by visiting shareview.co.uk

0371 384 2055

(in the UK)

+44 121 415 7004

(from overseas)

0371 384 2255

(for the hearing impaired in the UK)

+44 121 415 7028

(for the hearing impaired from overseas)

Aspect House

Spencer Road, Lancing, West Sussex BN99 6DA

To find out more, contact Equiniti or visit:

home.barclays/dividends

American Depositary Receipts (ADRs)

ADRs represent the ownership of Barclays PLC shares which are traded on the New York Stock Exchange. ADRs carry prices, and pay dividends, in US dollars.

If you have any questions about ADRs, please contact Shareowner Services:

StockTransfer@equiniti.com or visit adr.com

+1 800 990 1135

(toll free in the US and Canada)

+1 651 453 2128

(outside the US and Canada)

Shareowner Services

PO Box 64504, St Paul, MN 55164-0504, USA

Delivery of ADR certificates and overnight mail Shareowner Services, 1110 Centre Point Curve, Suite 101, Mendota Heights, MN 55120, USA

Qualifying US and Canadian resident ADR holders should contact Shareowner Services for further details regarding the DRIP

Shareholder Relations

To give us your feedback or if you have any questions, please contact:

privateshareholderrelations@barclays.com

Shareholder Relations Barclays PLC

1 Churchill Place London E14 5HP

Share price

Information on the Barclays share price and other share price tools are available at:

home.barclays/investorrelations

Alternative formats

Shareholder documents can be provided in large print, audio CD or Braille free of charge by calling Equiniti.

0371 384 2055^a

(in the UK)

+44 121 415 7004

(from overseas)

Audio versions of the Strategic Report

will also be available at the AGM.

Note

^a Lines open 8.30am to 5.30pm (UK time) Monday to Friday, excluding public holidays.



Notes

The terms Barclays or Group refer to Barclays PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the year ended 31 December 2021 to the corresponding twelve months of 2020 and balance sheet analysis as at 31 December 2021 with comparatives relating to 31 December 2020. The abbreviations '€m' and '€bn' represent millions and thousands of millions of Pounds Sterling respectively; the abbreviations '\$m' and '\$bn' represent millions and thousands of millions of US Dollars respectively; and the abbreviations '€m' and '€bn' represent millions and thousands of millions of Euros respectively.

There are a number of key judgement areas, for example impairment calculations, which are based on models and which are subject to ongoing adjustment and modifications. Reported numbers reflect best estimates and judgements at the given point in time.

Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the results glossary that can be accessed at home.barclays/investor-relations/reports-and-events/latest-financial-results.

The information in this document, which was approved by the Board of Directors on 22 February 2022, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021, which contain an unmodified audit report under Section 495 of the Companies Act 2006 (which does not make any statements under Section 498 of the Companies Act 2006), will be delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

These results will be filed on a Form 20-F with the US Securities and Exchange Commission (SEC) as soon as practicable following their publication. Once filed with the SEC, a copy of the Form 20-F will be available from the Barclays Investor Relations website at home.barclays/annualreport and from the SEC's website at www.sec.gov.

Barclays is a frequent issuer in the debt capital markets and regularly meets with investors via formal road-shows and other ad hoc meetings. Consistent with its usual practice, Barclays expects that from time to time over the coming quarter it will meet with investors globally to discuss these results and other matters relating to the Group.

Non-IFRS performance measures

Barclays' management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing the businesses' performance between financial periods and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays' management. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Refer to pages 309 to 312 for further information and calculations of non-IFRS performance measures included throughout this document, and the most directly comparable IFRS measures.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including, without limitation, during management presentations to financial analysts) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, capital distributions (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets (including, without limitation, ESG commitments and targets), estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS impacts and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances.

The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation; the development of standards and interpretations under IFRS, including evolving practices with regard to the interpretation and application of accounting and regulatory standards, emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; future levels of conduct provisions; the policies and actions of governmental and regulatory authorities; the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; environmental, social and geopolitical risks; and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entity within the Group or any securities issued by such entities; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union ("EU"), the effects of the EU-UK Trade and Cooperation Agreement and the disruption that may subsequently result in the UK and globally; the risk of cyber-attacks, information or security

breaches or technology failures on the Group's reputation, business or operations; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual financial position, future results, capital distributions, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures or ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in Barclays PLC's filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the fiscal year ended 31 December 2021), which are available on the SEC's website at www.sec.gov. Subject to Barclays' obligations under the applicable laws and regulations of any relevant jurisdiction, (including, without limitation, the UK and the US), in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Ensemble Studio
Part of FleishmanHillard
Visit us at fensemblestudio.com

Growing. Together.

Supporting entrepreneurship

When childhood friends Irina Albita and Maria Tanjala decided to pool their expertise in the film and financing sectors, they created a product that is revolutionising the way that creative industries receive payment for their work. Their joint venture, FilmChain, is a fintech that uses blockchain technology to automate the process of channelling royalty payments to rights' holders in film and TV.

Barclays UK has been a crucial partner to FilmChain for four years providing them with the benefits of a globally recognised bank. Our capacity to open unique client bank accounts in any currency and offer competitive FX rates, as well as the customised support of our sector expertise has been crucial to the success of their business. Through the support of the Rise network and their participation in the Female Founders First programme, we have provided support to help them navigate complex business challenges, including fundraising, leadership, scaling and growth. This has been a key differentiator in FilmChain's ability to expand at pace.

Furthermore, with film clients around the globe, Barclays' international network continues to be invaluable to FilmChain as it continues to expand its own client base, with plans to open offices in Germany and the US this year and enter the enterprise market.



By automating processes and having the ability to open Barclays global client accounts with multi-currency access, FilmChain saves industry professionals millions of pounds in mismanaged funds, human errors and lack of data.

Maria Tanjala
Co-Founder, FilmChain

Barclays PLC Annual Report 2021

A detailed review of Barclays' 2021 performance with disclosures that provide useful insight and go beyond reporting requirements.

Barclays PLC Climate-related Financial Disclosures 2021

A report aligning to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in this, the fifth year of disclosure.

Barclays PLC Pillar 3 Report 2021

A summary of our risk profile, its interaction with the Group's risk appetite, and risk management.

Left: **Rebecca Kolawole**
Barclays Business Manager, Moorgate

Right: **Maria Tanjala**
Co-Founder, FilmChain

Barclays PLC Fair Pay Report 2021

An overview of our approach to pay, including the principles and policies of our Fair Pay agenda.

Barclays PLC Diversity & Inclusion Report 2021

An overview of the Group's approach to building a more inclusive company, including a progress report on each of our six pillars of diversity and inclusion.

Barclays PLC Country Snapshot 2021

An overview of our global tax contribution as well as our approach to tax, including our UK tax strategy, together with our country-by-country data.

