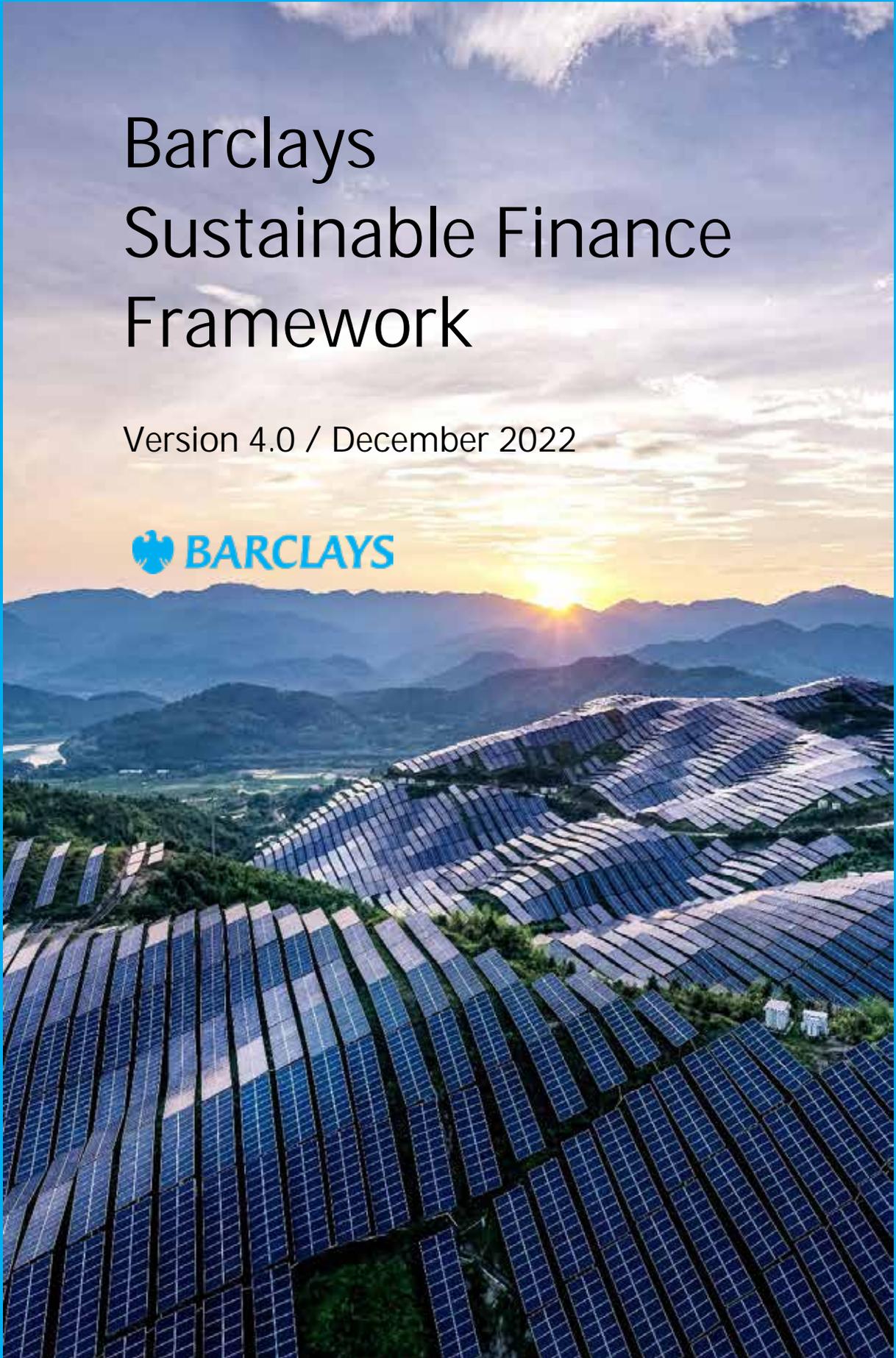




# Barclays Sustainable Finance Framework

Version 4.0 / December 2022



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# 1. Our approach to tracking performance against sustainable finance targets

# 1. Our approach to tracking performance against sustainable finance targets

Barclays is providing the green and sustainable finance required to transform the economies it serves. The transition to a sustainable economy is today's defining opportunity for innovation and growth. As a large global financial intermediary, Barclays has an important role in helping channel investment, including our own capital, into new green technologies and low-carbon infrastructure projects. We also have a contribution to make in the advice, products and financing support that we offer our customers and clients.

Our sustainable finance strategy represents a commitment to using Barclays' expertise, scale, and reach to support clients through the energy transition and foster social and sustainable development globally.

## 1.1 Purpose of this Framework

The Barclays Sustainable Finance Framework ("the Framework") sets out our methodology for classifying financing as sustainable for the purpose of tracking and disclosing our performance against our sustainable finance targets. We are committed to being transparent about our definitions and approach to reporting against our sustainable finance targets.

## 1.2 General principles

**Scope:** This Framework applies to all Barclays businesses globally.

**Application:** This Framework is designed to enable the classification and tracking of performance against our Targets as set out in the table below.

In this Framework, the term "sustainable finance" includes green, social, environmental, sustainability and sustainability-linked finance and includes both financing with a specific purpose and general purpose financing.

This Framework also serves to guide the development of themed green and social products which reference specific dedicated green or social purpose financing. Specific product propositions may then reference this Framework.

**Classification practices:** In developing this Framework, Barclays has drawn on industry guidelines and principles, including the following (together with accompanying guidelines where applicable):

- Loan Market Association (LMA)/Asia Pacific Loan Market Association (APLMA)/Loan Syndications and Trading Association (LSTA)
  - Green Loan Principles (GLP) 2021
  - Social Loan Principles (SLP) 2021
  - Sustainability Linked Loan Principles (SLLP) 2022
- International Capital Markets Association (ICMA)
  - Green Bond Principles (GBP) 2021
  - Social Bond Principles (SBP) 2021
  - Sustainability Bond Guidelines (SBG) 2021
  - Sustainability-Linked Bond Principles (SLBP) 2020
- Climate Bonds Initiative (CBI) – Climate Bonds Standard V3.0

We are in the process of considering the EU Taxonomy and other regional taxonomies as they develop.

**Eligible types of financing:** This Framework sets out types of financing which are eligible as sustainable financing for tracking and disclosing our performance against our Targets, as defined below, which include:

- **Dedicated purpose** financing where the use of proceeds satisfies either the green or social eligibility criteria (or in the case of sustainability financing, a combination of green and social criteria)
- **Sustainability-linked financing** which meets the criteria set out in section 1.3. Note that sustainability-linked financing is not dedicated purpose financing and is not required to satisfy either the green or social eligibility criteria
- **General purpose** financing where the business mix of the entity satisfies either the green or social eligibility criteria based on the thresholds set out in section 1.3

Barclays may set a Target by reference to all or some only of these types of eligible financing and eligibility criteria.

In addition to the above requirements, financing will not be eligible as sustainable financing for the purpose of our Targets if it is excluded in Barclays' Sustainability Statements and Policy Positions. See Section 1.4 for details.

**Review process:** We will review the Framework periodically, including to align it with evolving market practices and guidelines. Updates (e.g., to eligibility criteria, product scope and accounting basis, etc.) are effective from publication, unless otherwise specified, and are not applied retrospectively to prior years' sustainable finance performance against our Targets.

**Product scope:** The Framework covers a range of financing activities including debt and equity capital markets, corporate lending, trade finance and consumer lending as specified in Section 4. We do not include advisory services such as M&A advisory to acquirers or targets, sustainability-linked derivatives or assets under management in ESG Funds and Products.

We will review the inclusion of existing and additional products in future versions of this Framework. As innovation in sustainable finance continues to accelerate, coverage under this Framework may change as new products emerge and as market principles develop.

**Accounting policy:** Barclays' accounting policy for tracking and reporting financing volumes by product group is specified in Section 4.

**Progress reporting:** Update on progress against Targets alongside our external financial reporting.

**Assurance:** Internal review and external assurance on sustainable finance metrics<sup>1</sup>.

**Framework external review:** Sustanalytics – see below.

**Targets:** The table below sets out Barclays' sustainable finance targets (Targets) relates to V 3.0 of the Framework.

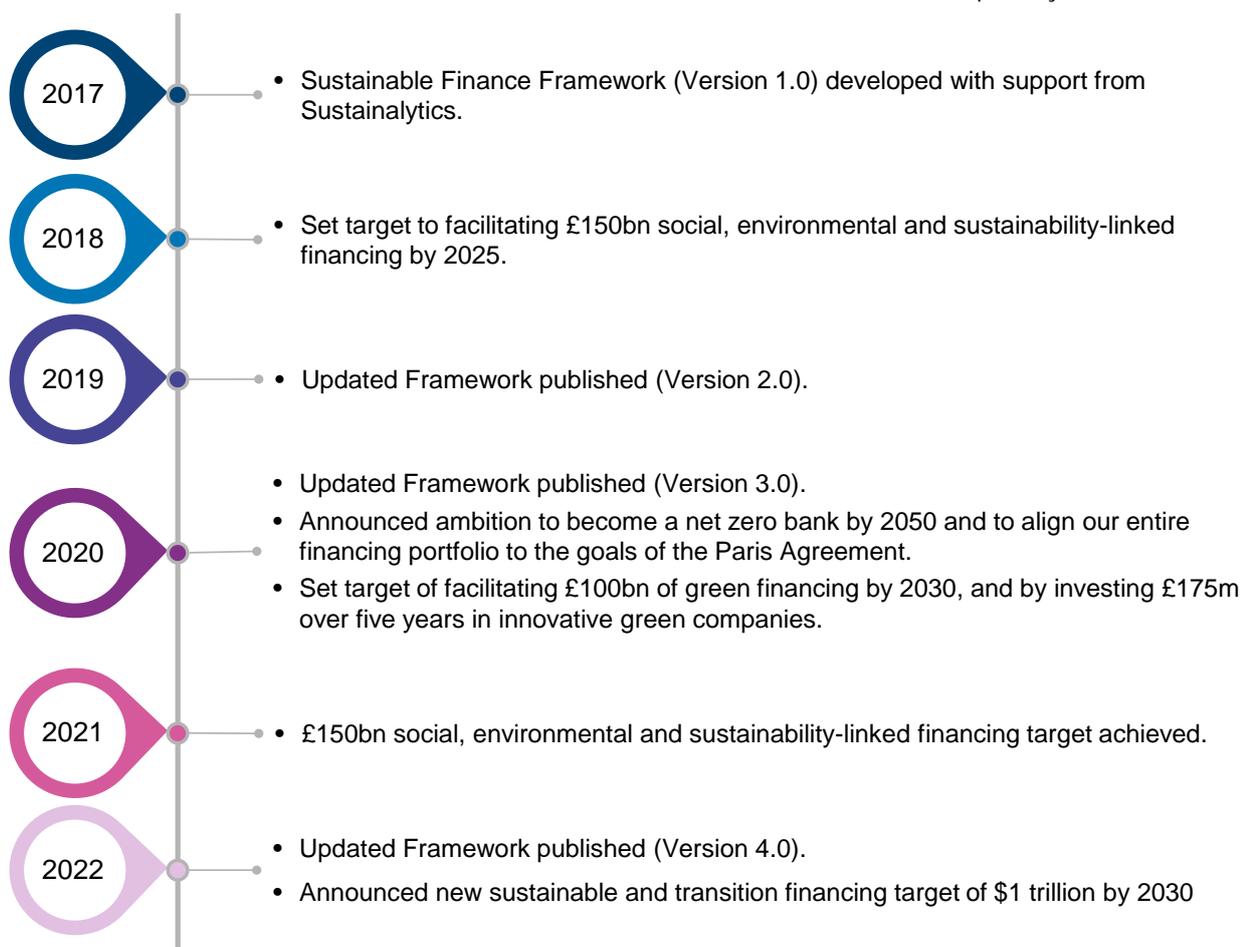
Target	Date announced	Amount	Timeframe	Eligible types of financing
Social, environmental and sustainability-linked financing	February 2019	£150bn	1 January 2018 to 31 December 2025	All type of financing and (as applicable) all eligibility criteria
Green financing	March 2020	£100bn	1 January 2018 to 31 December 2030	All types of financing provided the green eligibility criteria is satisfied <sup>2</sup>

<sup>1</sup> Further information available at [home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/](https://home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/)

<sup>2</sup> See pages 5 to 7 for our approach to calculating green financing allocation.

Targets: The table below sets out Barclays' sustainable finance targets (Targets) relates to V 4.0 of the Framework, valid from 1 January 2023.

Target	Date announced	Amount	Timeframe	Eligible types of financing
Sustainable and transition financing facilitated	December 2022	\$1trn	1 January 2023 to 31 December 2030	All type of financing and (as applicable) all eligibility criteria  This Framework covers reporting of instruments in relation to the sustainable financing aspect of our Target. Reporting criteria for transition financing will be covered in a Framework to be adopted separately.



**External review**

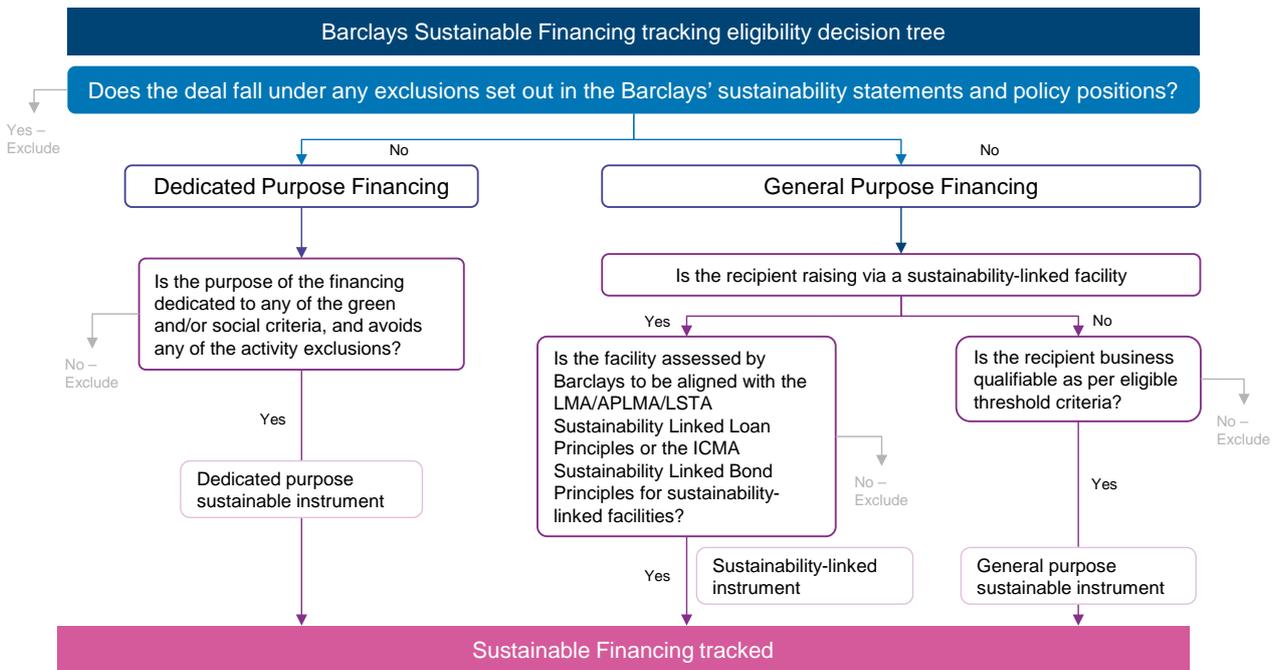
This Framework was developed by Barclays and with support from Sustainalytics, a Morningstar company, and a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies.

For over 25 years, Sustainalytics has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in their policies, practices and capital projects.

### 1.3 Eligibility criteria

**Decision tree for identifying eligible financing activity**

The decision tree below sets out the process for identifying eligible sustainable financing transactions, for the purpose of Barclays’ Targets, across the organisation. The first step is to identify the use of proceeds of the financing transaction and then to include or exclude transactions using the relevant dedicated or general corporate purpose pathway.



**Thresholds for inclusion under the general and dedicated purpose pathways**

#### Dedicated purpose financing

Dedicated purpose financing will be eligible as sustainable financing, for the purpose of our Targets, if it is identified as being for a dedicated purpose that (i) falls under the green or social eligibility criteria; or (ii) that falls under a combination of at least one green and one social eligibility criteria.<sup>3</sup>

<sup>3</sup> For the purposes of reporting against our targets, labelled green, social and sustainability bonds/loans are reviewed by a dedicated reporting team within Barclays’ Global Finance function on a case by case basis against the relevant industry principles and criteria set out in this Framework. Exceptionally, labelled green, social and sustainability bonds/loans may not align with the above, but have been assessed by Barclays to have other credible green, social or sustainability characteristics under other recognized taxonomies or frameworks which provide a clear rationale for inclusion. In all cases, labelled financing is assessed by the relevant Barclays functions to ensure they do not fall within the exclusions noted in the Framework or Barclays’ Sustainability Statements and Policy Positions.

- If 100% of the funds are directed towards eligible activities, the entire transaction is counted towards our targets
- If less than 100% of the funds are directed towards eligible activities, a pro-rated part of this transaction is counted towards our targets in proportion to the share of funds that are directed towards eligible activities. For example, if 70% of the funds are directed towards eligible activities, 70% would qualify towards our targets and 30% would not qualify

In addition to the above criteria, labelled bonds or loans will qualify for inclusion if they meet either of the following criteria:

1. The bond/loan is aligned with the ICMA Green/Social Bond Principles, the Sustainability Bond Guidelines or the LMA Green/Social Loan Principles (as applicable); OR
2. In relation to bonds, the bond has been certified under the Climate Bonds Initiative (CBI) Climate Bonds Standard

## General purpose financing

Financing will also be eligible as sustainable financing, for the purpose of our Targets, under this Framework if it is for general corporate purposes and Barclays determines that the core business of the recipient falls under the eligible green and social criteria.

If the recipient of financing meets one of the following criteria, 100% of the financing is eligible for inclusion:

1. Derives greater than 90% of its revenue from 'eligible activities' listed under the green AND/OR social criteria; OR
2. **For power generators only:** Derives greater than 90% of its energy generation mix from qualified renewable energy sources; OR
3. **For pre-revenue entities only:** Dedicates greater than 90% of its Capex/R&D expenditure to 'eligible activities' listed under the green OR social criteria; OR
4. **Non-profit healthcare providers and public education systems** can qualify based on their registration as public school/university, charity or non-profit institute<sup>4 5</sup>

For example, financing for an organisation which derives 95% of its revenue from eligible green activities would be qualified as 100% green financing. By contrast, financing for an organisation which derives 89% of its revenue from eligible green activities would fall under the scope of the pro-rata approach below.

### Pro-rata approach

Barclays recognises that the funding we provide to our clients to enable green and social activities extends beyond financing in a green or social format (e.g. green/social bonds/loans, etc.) and financing to pure play entities (where the business mix already meets the >90% threshold set out above). In some instances, we provide funding to entities with substantial, and often growing, eligible green and social activities, but that are below the 90% threshold. In these instances, we treat a pro-rated part of this funding as eligible for inclusion in proportion to the share of eligible activities within the recipient organisation' business mix<sup>6</sup>.

In order for financing to be treated as eligible for inclusion under this approach, recipient entities must meet one of criteria 1-3 AND criterion 4:

1. Derive between 50% and 90% of its revenue from 'eligible activities' listed under the green AND/OR social criteria; OR

<sup>4</sup> Example- In the US, 501(c)(3) status should be applicable. This is the portion of the US Internal Revenue Code that allows for federal tax exemption of nonprofit organizations, specifically those that are considered public charities, private foundations or private operating foundations.  
<https://www.501c3.org/what-is-a-501c3/>

<sup>5</sup> Sustainability considers the financing of healthcare providers and public education systems where access and affordability are guaranteed, either through providing services for free or through sufficiently subsidized access for a defined target population, to be a credible social activity.

<sup>6</sup> Sustainability has communicated to Barclays that with respect to general purpose loans it is best practice to limit lending to pure play entities defined as those that derive more than 90% of revenues from eligible activities.

2. For power generators only: Derive between 50% and 90% of its energy generation mix from qualified renewable energy sources; OR
3. For pre-revenue entities only: Dedicates between 50% and 90% of its Capex/R&D expenditure to 'eligible activities' listed under the green AND/OR social criteria; AND
4. Meet the criteria set out in Barclays' Sustainability Statements and Policy Positions<sup>7</sup> including specific restrictions and thresholds for sensitive energy sectors including thermal coal, fracking, arctic oil and gas, oil sands

For example, financing for an organisation which derives 45% of its business mix from eligible green activities and 45% from eligible social activities, would be qualified as 45% green financing and 45% social financing as the combined business mix exceeds the 50% minimum pro-rata threshold but neither the eligible green activities nor the eligible social activities exceed the 90% described above. By contrast, financing for an organisation which derives 45% of its business mix from either eligible green or eligible social activities and the remaining 55% from non-eligible activities would not qualify at all because the combined business mix does not exceed the 50% minimum pro-rata threshold.

Note: For the business mix or activities described above, we rely on data reported in publicly available annual reports and accounts for determining revenue, power generation mix, Capex/R&D expenditure or funding dispersals. Where sufficiently granular information from these sources about eligible business mix is not available, a financing will not qualify under this category.

### Sustainability-linked financing<sup>8</sup>

Sustainability-linked financing instruments are bonds, loan instruments or contingent facilities (such as bonding lines, guarantee lines or letters of credit) which incentivise the borrower's achievement of ambitious, pre-determined sustainability performance targets (SPTs). Unlike green, social or sustainability financing instruments, proceeds of sustainability-linked instruments need not be attributed to green, social or sustainability objectives or projects. These facilities can be structured in different ways; in most cases, an inability to achieve SPTs will incur a premium to the margin.

SPTs which are included in the pricing ratchet (i.e. as a trigger for margin or coupon increasing or decreasing, as applicable) can be for a wide variety of targets e.g. reduction of GHG emissions, energy efficiency improvements, etc. or linked to third party ESG scores. Sustainability-linked loans and bonds facilitate the integration of sustainability factors into a broader set of products and offer an additional means of engaging clients on sustainability considerations.

Sustainability-linked financing is eligible for inclusion as sustainable finance, for the purpose of our Targets, under this Framework if the sustainability-linked facility is assessed by Barclays to be aligned with the criteria of the LMA/APLMA/LSTA Sustainability Linked Loan Principles or the ICMA Sustainability Linked Bond Principles.

Note that sustainability-linked financing is not required to satisfy either the green or social eligibility criteria.

For transparency, sustainability-linked financing is reported as a separate category to dedicated green and social purpose financing.

## 1.4 Overview of Barclays' Sustainability Statements and Policy Positions

Barclays applies broader restrictions and/or enhanced due diligence requirements for specific sensitive sectors as set out in our Statements and Policy Positions, including thermal coal, fracking, arctic oil and gas, oil sands, defence, forestry and agricultural commodities. These Statements and Policy positions, apply to all of Barclays' financing and not just financing assessed for eligibility under this and are available on our website<sup>9</sup>.

<sup>7</sup> See Section 1.4 for further detail.

<sup>8</sup> Sustainalytics notes that given the range of variables and benchmarking involved in sustainability-linked issuances (including the sectoral considerations, strength of key performance indicator(s) and sustainability performance target(s), historical data, peer performance, etc.), the applicability, strength and ambitiousness of these variables are usually evaluated on a case-by-case basis. In this context, Sustainalytics has not reviewed the criteria defined for financing sustainability-linked instruments in the Framework.

<sup>9</sup> [home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/](https://home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/)

## 2. Green eligibility criteria

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This section sets out eligible green activities including any specific exclusions applicable to a particular activity which would mean it is not eligible as a green activity. It also sets out the applicable Sustainable Development Goals (SDGs) for each sub-theme on a best-efforts basis, focusing on the primary SDG contribution from each activity.

### Energy efficiency

Sub-themes	Eligible activities	Activity exclusions
Commercial and residential buildings   	<b>Building level</b> <ul style="list-style-type: none"> <li>Energy efficient new build buildings with an Energy Performance Certificate (EPC) rating of A or B<sup>10</sup>, as issued through the Barclays Green Home Mortgage (i.e. qualifying for a pricing discount under the product criteria)</li> <li>Development, acquisition, retrofit and/or refurbishment of new or existing buildings achieving a rating of LEED Gold or above, BREEAM Excellent or above, or other equivalent internationally recognised green building certification schemes<sup>11</sup>, complying with a recognised threshold set by the CBI, or otherwise evidenced to be performing in the top 15% of buildings in the relevant market</li> <li>Retrofit of existing buildings achieving a minimum 30% energy and/or carbon emission reduction or energy efficiency after retrofit is within the top 15% of buildings in the relevant market</li> </ul> <b>System level<sup>12</sup></b> <ul style="list-style-type: none"> <li><b>Energy efficiency measures:</b> including tank and pipe insulation; draught proofing; loft insulation; low-energy lights; insulation to existing envelope components with low thermal conductivity such as external walls, roofs, lofts, basements and ground floors (including measures to ensure airtightness and reduce the effects of thermal bridges); cavity wall insulation; internal wall insulation; double glazing; insulated render; external wall insulation; energy efficient external doors</li> <li><b>Heating measures:</b> including electric air source heat pumps; electric ground source heat pumps; micro combined heat and power (micro-CHP)<sup>13</sup>; heating controls; replacement of old pumps with efficient electric circulating pumps; installation and replacement of heating, ventilation and air conditioning (HVAC) and domestic hot water systems with more efficient systems</li> <li><b>Renewable energy generation:</b> including solar hot water; solar photovoltaic; rainfall capture</li> <li><b>Resilience measures:</b> including BS 851188 standard products to enhance resistance to flooding such as flood</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency measures intended for processes that are inherently carbon-intensive, such as production processes within heavy industries</li> <li>Improvements in appliances and equipment primarily using fossil fuel so as to avoid lock-in of fossil fuel consumption. Activities which result in fuel switching are eligible</li> <li>Cogeneration systems applied to the fossil fuel industry</li> <li>Cogeneration plants, CHP units and boilers powered by coal, oil or natural gas</li> </ul>

<sup>10</sup> Sustainalytics considers buildings that receive an EPC A or otherwise within the top 15% energy-performing in the relevant area based on emissions intensity performance or primary energy demand (PED) as a credible green expenditure and notes that an EPC rating of B may not guarantee that buildings are among the top 15% energy-performing buildings in all geographies.

<sup>11</sup> Sustainalytics considers it good practice to specify all eligible schemes and certifications.

<sup>12</sup> Adapted from the Green Finance Institute - Green Home Retrofit Finance Principles (GHRFP). <http://www.greenfinanceinstitute.co.uk/ghrfp/>

<sup>13</sup> Micro-CHPs are limited to those powered by CSP/solar thermal or biomass waste, or geothermal energy/bioenergy with emissions below 100 gCO<sub>2</sub>e/kWh.

Sub-themes	Eligible activities	Activity exclusions
	<p>doors and windows or demountable barriers; measures to enhance resilience to flooding such as resilient wall and floor finishes; resilient insulation; measures to enhance resistance to heatwaves such as external shutters, external insulation</p> <ul style="list-style-type: none"> <li>• <b>Water efficiency measures:</b> including indoor water efficient fixture and fittings and outdoor water efficient landscaping</li> </ul>	
<p>Public services</p>  	<ul style="list-style-type: none"> <li>• Installation of energy efficient equipment and technology to increase the operational energy efficiency of utilities and other public services. Examples could include LEDs or smart lighting solutions, smart meters and peak demand management technology</li> <li>• Improvement of heat efficiency of district heating or cooling generation and distribution networks. Examples include the rehabilitation of electric powered district heating systems, heat-loss reduction and/or increased recovery of wasted heat, construction and maintenance of distribution network primarily (&gt; 50%) powered by renewables, waste heat or both. For projects involving heat and cooling generation (utility) and transmission infrastructure directly connected to a power generation plant, 100% of generation will be from renewables or industrial waste heat</li> <li>• Retrofit of renewable energy power plants</li> </ul>	<ul style="list-style-type: none"> <li>• Fossil fuel-based power plants (coal, oil, natural gas)</li> <li>• Projects with waste heat from fossil fuel production and operations</li> <li>• Measures applied to production processes that rely on fossil-fuel</li> <li>• Measures applied to production processes in heavy industries, such as steel, cement, aluminium.</li> </ul>
<p>Agricultural processes</p> 	<ul style="list-style-type: none"> <li>• Improving the energy efficiency of machinery and equipment, irrigation and other agriculture processes through fuel switching to low carbon alternatives (bio-based fuels) or electrification</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural operations identified as being linked to deforestation or operating in countries with high deforestation risk as defined in Barclays' Forestry and Agricultural Commodities Statement.</li> <li>• Application of energy efficiency improvements to livestock management projects for industrial-scale meat processors or producers</li> </ul>
<p>Transmission and distribution systems</p> 	<ul style="list-style-type: none"> <li>• Development, manufacture and installation of technologies aimed at enabling efficient transmission and distribution. Examples of technologies include smart grid components, smart meters, monitoring and control automation devices and communications and sensor technologies such as Wide Area Monitoring System</li> <li>• Biofuel infrastructure including refining of eligible biofuels and transportation/pipelines. Biofuel is as defined in Renewable Energy: Electricity Generation section</li> </ul>	<ul style="list-style-type: none"> <li>• Energy efficiency improvements to transmissions lines directly connected or dedicated to fossil fuel power</li> <li>• Biofuel blending facilities</li> </ul>
<p>Industrial processes and supply chains</p>  	<ul style="list-style-type: none"> <li>• Upgrades and improvements to industrial and manufacturing processes that are proven to increase energy efficiency of industrial processes</li> <li>• Manufacture and provision of technologies, equipment and software specifically designed to enable improvement in energy efficiency such as demand management technologies</li> <li>• Industrial/utility energy efficiency improvements involving changes in processes, reduction of heat losses and/or</li> </ul>	<ul style="list-style-type: none"> <li>• Projects to improve the energy efficiency of fossil fuel production and/or distribution.</li> <li>• Projects from waste heat from fossil fuel production/operation</li> <li>• Industrial processes which are inherently carbon intensive such as steel, aluminium and cement</li> </ul>

Sub-themes	Eligible activities	Activity exclusions
	increased waste heat recovery. This includes the installation of cogeneration plants, powered by renewables <sup>14</sup>	<ul style="list-style-type: none"> <li>production or primarily driven by fossil fuels</li> <li>Cogeneration plants powered by coal, oil or natural gas</li> </ul>
Energy efficiency technologies  	<ul style="list-style-type: none"> <li>Development, manufacture and/or installation of energy efficiency technologies and products such as efficient appliances<sup>15</sup>, LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>Technologies that increase the energy efficiency of fossil fuel production and/or distribution or lock-in the use of fossil fuel-based technologies and products</li> <li>Equipment designed and applied to production processes in heavy industries, such as steel, cement, aluminium</li> </ul>

## Renewable energy

Sub-themes	Eligible activities	Activity exclusions
Electricity generation  	The generation of electricity from: <ul style="list-style-type: none"> <li>Wind power</li> <li>Solar photovoltaic (PV)</li> <li>Geothermal power with a direct emissions threshold of &lt;100 grams of CO<sub>2</sub>/kWh</li> <li>Biomass or biogas power/ biofuel production with feedstocks that are fully certified from sustainable sources or sustainable crops<sup>16</sup>, that generates power which achieves substantial lifecycle emissions of at least 65%<sup>17</sup> lower than the fossil-fuel baseline<sup>18</sup> OR life cycle GHG emission intensity below 100gCO<sub>2</sub>e/kWh</li> <li>Ocean power</li> <li>Run-of-river hydropower<sup>19</sup> without artificial reservoir or low storage capacity</li> <li>For hydropower facilities that became operational before the end of 2022<sup>20</sup>: Lifecycle emissions of the project and the emissions from decaying organic matter are &lt;100gCO<sub>2</sub>/kWh or the power density of the dam is &gt;5 W/m<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Application of renewable energy technology in processes from the fossil fuel industry</li> <li>Ocean thermal projects with fossil fuel backup (not limited to power monitoring, operating and maintenance equipment, as well as resilience or protection measures/restart capabilities)</li> <li>Bioenergy production that competes with food production or decreases forestation, biodiversity, or carbon pools in soil.</li> </ul>

<sup>14</sup> Cogeneration plants will be limited to those powered by CSP/solar thermal or biomass waste, or geothermal energy/bioenergy with emissions below 100 gCO<sub>2</sub>e/kWh.

<sup>15</sup> Sustainalytics considers the financing of technologies and equipment that are designed to enable energy efficiency as credible green expenditures.

<sup>16</sup> Sustainable non-food crops are defined as, among others, crops certified under the Roundtable on Sustainable Biomaterials (RSB) or ISCC Plus; soy certified under Round Table on Responsible Soy (RTRS); sugarcane certified under Bonsucro; wood certified under Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Additional certification schemes may be considered but should be as or more credible and robust as those listed here.

<sup>17</sup> Pre-2021 installations with 60% lifecycle emission reduction below the baseline and pre-2015 installations with 50% lifecycle emissions reduction below the baseline.

<sup>18</sup> Fossil fuel baselines for biofuel production facilities: (1) Biofuels (for transportation) - 94 gCO<sub>2</sub>e/MJ; (2) Bioliqids (production of electricity) - 183 CO<sub>2</sub>e/MJ; and (3) Bioliqids (production of heat) - 80 CO<sub>2</sub>e/MJ as per the EU Renewable Energy Directive II. For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO<sub>2</sub>eq/MJ.

<sup>19</sup> For all new hydropower projects regardless of size, an environmental and social impact assessment by a credible, third-party body is required per project. There should be no significant risk, controversies or expected negative impact identified by the assessment.

<sup>20</sup> Where renewables are as defined by this Framework.

Sub-themes	Eligible activities	Activity exclusions
	<ul style="list-style-type: none"> <li>For new hydropower facilities<sup>20</sup>: Lifecycle emissions of the project and the emissions from decaying organic matter are &lt;50gCO<sub>2</sub>/kWh or power density of the dam is &gt;10W/m<sup>2</sup></li> <li>The construction and operation of a facility used for cogeneration of heat/cooling and power from renewables<sup>20</sup></li> </ul>	<ul style="list-style-type: none"> <li>Biomass or biogas from palm, peat and non-sustainably produced crops</li> <li>Coal, oil or Natural gas fired co-generation plants</li> </ul>
Transmission systems	<ul style="list-style-type: none"> <li>Improvement of existing transmission systems (or other infrastructure) dedicated to connecting renewables to the grid or to facilitate the integration of at least 90% electricity from renewable sources into the grid<sup>21</sup></li> <li>Development of new transmission systems dedicated to connecting renewables to the grid or facilitate integration of at least 90% renewable energy sources into the grid<sup>22</sup></li> <li>Distributed assets such as circuit breakers, voltage regulators intended to reduce the curtailment of renewable energy to the grid</li> </ul>	<ul style="list-style-type: none"> <li>Practices need to ensure that the best technology is used to avoid/minimise GHG emission.</li> <li>Transmissions lines directly connected or dedicated to fossil fuel power</li> </ul>
Renewable energy technologies	<ul style="list-style-type: none"> <li>Development and/or manufacture of renewable energy technologies, including equipment for renewable energy generation and energy storage connected to renewables as defined under the "Electricity generation". Examples could include wind turbines, solar panels, technology and equipment for the development of eligible hydro projects as defined above, batteries and green hydrogen fuel cells and other energy storage devices for alternative energy (including green hydrogen storage)</li> </ul>	
Heat production and thermal energy	<ul style="list-style-type: none"> <li>Concentrated solar heat &amp; power generation (CSP), and other solar thermals where large majority of the electricity generated from the facility is derived from solar energy sources</li> <li>Development of electric heat pumps or absorption heat pumps driven by solar-heated water or geothermal-heated water</li> </ul>	<ul style="list-style-type: none"> <li>Application of technology in the fossil fuel industry</li> </ul>



## Sustainable transport

Sub-themes	Eligible activities	Activity exclusions
Vehicle energy efficiency	<ul style="list-style-type: none"> <li>Vehicle, rail or boat fleet upgrades, which include replacement of engines with zero-emission technologies including electric or green hydrogen technologies<sup>22</sup></li> <li>Hybrid engines and technologies operating below &lt;75 gCO<sub>2</sub>/km on land</li> <li>Acquisition/manufacture of new vehicles, locomotives and boats which are zero-direct emissions</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency improvements involving conventional fossil fuel combustion engines</li> </ul>
Urban transportation systems and infrastructure	<ul style="list-style-type: none"> <li>Development and operation of low-carbon<sup>23</sup> public or mass transportation systems for land and sea<sup>24</sup>. This may include associated infrastructure that supports or enables eligible transportation assets</li> <li>Development of infrastructure for non-motorised transport (bicycles and pedestrian mobility)</li> </ul>	<ul style="list-style-type: none"> <li>Development and improvement of transport links to airports</li> <li>New construction and existing road infrastructure retrofits, including roads,</li> </ul>

<sup>21</sup> If grid is less than 90% renewable electricity but the percentage of renewables is expected to increase, a pro-rata approach will be applied to determine the green allocation to grid development or maintenance.

<sup>22</sup> Green hydrogen where production is via electrolysis powered by renewable energy, where renewable energy is as defined by this guide.

<sup>23</sup> Low carbon is defined as below 25 grams of CO<sub>2</sub>/tonne-km for freight, below 75 grams of CO<sub>2</sub>/km for passenger cars and below 50 grams of CO<sub>2</sub>/passenger-km for passenger rail and buses.

<sup>24</sup> Low-carbon ships defined as fully electric, biofuel or hydrogen-powered.

Sub-themes	Eligible activities	Activity exclusions
 	<ul style="list-style-type: none"> <li>Development and infrastructure for electric vehicles. Examples could include electric charging stations</li> <li>Urban planning and development that leads to a reduction in the use of passenger cars. Examples could include creating walking communities, improving public transport connectivity or developing car-free city areas</li> <li>Management of transport demand that leads to a reduction in use of passenger cars. Examples could include setting high-occupancy vehicle lanes, Information Communication Technologies (ICT) that improves asset utilisation, flow and modal shift (such as through public transport information, car-sharing schemes and telematics), smart logistics and fleet management, smart road pricing systems</li> </ul>	<ul style="list-style-type: none"> <li>road bridges and parking facilities</li> <li>Freight trucks dedicated to the transport of fossil fuels or fossil fuels blended with alternative fuels</li> </ul>
Freight transport 	<ul style="list-style-type: none"> <li>Development of associated infrastructure that supports or enables the operation of electric and low-carbon rail<sup>25</sup> and low-carbon water transport<sup>25</sup>. Examples include development of rail infrastructure, bunkering facilities for biofuels, hydrogen, ammonia and methanol and AMP infrastructure Freight transport that falls below 25 grams of CO<sub>2</sub>/tonne-km is eligible</li> </ul>	<ul style="list-style-type: none"> <li>Systems and infrastructure used primarily for the transportation of fossil fuels</li> <li>Rail lines and operations where fossil fuels account for more than 50% of freight (by tonne-km)</li> </ul>

## Sustainable food, agriculture, forestry, aquaculture and fisheries

Sub-themes	Eligible activities	Activity exclusions
Sustainable forestry 	<ul style="list-style-type: none"> <li>Forest conservation projects, afforestation (plantations) on non-forested land or reforestation on previously forested land using tree species that are well adapted to site conditions and accompanied by a sustainable forest management plan</li> <li>Commercial forests and sustainable forest management certified with FSC, PEFC or SFI</li> <li>Projects and products that have received FSC and PEFC certification to promote sustainable forestry and responsible sourcing</li> </ul>	Any forestry activities primarily related to production of biomass for power generation, unless deemed acceptable under the "Renewable Energy" category
Sustainable food and agriculture  	<ul style="list-style-type: none"> <li>Development of agriculture projects that do not deplete or that improve existing carbon pools, such as minimal or no use of synthetic fertiliser or pesticide use, or reduction in water use (including irrigation)</li> <li>Wildlife habitat management (including planting and expanding hedgerows), collection and use of agricultural waste or rehabilitation of degraded lands (including soil health improvements)</li> <li>Production of organic<sup>26</sup> food and non-food products certified by credible third-party certifications in particular EU Organic, Rainforest Alliance, Better Cotton Initiative (BCI), Soil Association Certification organic standards and USDA Organic</li> <li>Production of organic certified sustainable protein including plant-based proteins with evidence of life-cycle GHG emissions being lower than their meat counterparts, and</li> </ul>	<ul style="list-style-type: none"> <li>Biofuel production that competes with food production or decreases forestation, biodiversity or carbon pools in soil</li> <li>Agricultural operations identified as being linked to deforestation, eutrophication or operating in countries with high deforestation risk<sup>29</sup></li> <li>Livestock management projects for industrial-scale meat processors or producers</li> <li>Genetically modified organisms and crops</li> </ul>

<sup>25</sup> Freight rail with an overall portfolio on average threshold <25 gCO<sub>2</sub>/tonne-km.

<sup>26</sup> Certifications listed in the IFOAM directory for organic cropping agriculture. The directory can be found at: [https://directory.ifoam.bio/certification\\_bodies](https://directory.ifoam.bio/certification_bodies).

<sup>29</sup> As defined in Barclays' Forestry and Agricultural Commodities Statement.

Sub-themes	Eligible activities	Activity exclusions
	<ul style="list-style-type: none"> <li>production that procures raw materials from certified sustainable sources<sup>27</sup></li> <li>Research and development of lab grown proteins and alternative proteins, e.g. insects</li> <li>Investment in low-carbon agricultural technologies that improve productivity and efficiency while at the same time lowering impact. Examples could include crop sensors, vertical farming, hydroponics or aeroponics<sup>28</sup></li> <li>Production of biofuels or biogas (see renewable energy section for additional details)</li> </ul>	<ul style="list-style-type: none"> <li>Manufacture, purchase and distribution of inorganic or synthetic fertilizers, pesticides and herbicides</li> </ul>
Sustainable land use and biodiversity conservation   	<ul style="list-style-type: none"> <li>Terrestrial and aquatic biodiversity conservation including the protection of forests, coastal, marine and watershed environments</li> <li>Wildlife habitat management (including planting and expanding hedgerows), Rehabilitation, restoration and conservation of ecosystems from a degraded state and rewilding projects. Biodiversity gains should be considered on a sector or jurisdiction specific basis</li> <li>Restoration of upland and lowland peatlands to enhance the sequestration and long term storage of carbon from the atmosphere</li> </ul>	

## Resource efficiency and pollution control

Sub-themes	Eligible activities	Activity exclusions
Recycling and reuse  	<ul style="list-style-type: none"> <li>Processes, infrastructure and technologies that facilitate recycling. Examples could include waste management companies<sup>30</sup> which incorporate recycling and sustainable waste management practices, and recycling facilities powered by renewable energy</li> <li>Treatment of bio-waste through anaerobic digestion in dedicated plants with the resulting production and utilisation of biogas and digestate</li> <li>Treatment of bio-waste through composting (aerobic digestion) in dedicated facilities with the resulting production and utilisation of compost</li> <li>Projects to capture biogas from closed landfill facilities, with high gas capture efficiency of 75% or more</li> </ul>	<ul style="list-style-type: none"> <li>Chemical recycling of plastic</li> <li>Plastics, rubber, tire-derived fuels (TDF) for energy or fuel conversion</li> <li>Treatment of bio-waste from non-RSPO certified palm oil operations</li> </ul>
Circular economy	Circular inputs: <ul style="list-style-type: none"> <li>Procurement of waste or recycled material as an input. When the procurement of bio-based raw materials (excluding bio-</li> </ul>	

<sup>27</sup> Please see list of certifications included above. Additional certifications in particular UTZ certified, Roundtable on Responsible Soy (RTRS).

<sup>28</sup> Sustainability notes that vertical farming offers some environmental benefits, when compared to conventional farming, including reduction in water and fertilizer use. However, it is also, on average, substantially more energy-intensive than traditional farming. Sustainability considers such expenditures to be credible green expenditures when coupled with the implementation of strong energy efficiency measures and renewable energy procurement.

<sup>30</sup> Where electronic waste recycling is considered, recycling companies employed will have robust waste management processes to mitigate associated risks with e-waste recycling. Where plastic recycling is considered, this will be limited to mechanical recycling.

Sub-themes	Eligible activities	Activity exclusions
 	<p>based plastics) are considered, sustainable sourcing should be ensured</p> <ul style="list-style-type: none"> <li>Production of resource efficient products that are RSB certified</li> <li>Production of aluminium-based consumer product 90% or more of input is scrap/recycled aluminium</li> <li>Production of plastic with (i) at least 90% of recycled, renewable and/or bio-based input, and (ii) at least 90% is not intended for single use consumer products, and (iii) All products are recyclable</li> </ul> <p>Repair activities: companies/projects that are aimed at increasing the lifespan of existing products such as through repair and predictive maintenance</p>	
<p>GHG emission reduction</p>   	<ul style="list-style-type: none"> <li>Developing processes/systems to reduce GHG emissions in a company's product supply chain. Examples include reducing air emissions through process upgrades, installation of sensors to monitor or test emission control and compliance including investments with third party to find ways to reduce emissions</li> <li>Reductions in GHG emissions resulting from retrofit of existing commercial, residential or industrial facilities with refrigerants that have a lower global warming potential (GWP) coupled with robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation/recycling or destruction of refrigerants at end of life</li> </ul>	<ul style="list-style-type: none"> <li>Projects that facilitate the reduction of GHG emissions in fossil fuel production and/or distribution</li> <li>Production processes in heavy industries, such as steel, cement, aluminum</li> <li>Projects that apply GHG emissions capture in active landfills</li> <li>Carbon Capture Utilisation (CCU) where captured carbon is intended for enhanced oil recovery</li> </ul>

## Sustainable water

Sub-themes	Eligible activities	Activity exclusions
<p>Sustainable water management</p>  	<ul style="list-style-type: none"> <li>Products, services and projects that attempt to resolve water scarcity and water quality issues, including minimising current water use and demand increases, improving the quality of water supply and improving the availability and reliability of water, e.g. water reclaim systems, leak detection systems</li> <li>Infrastructure and engineering projects developing new or repairing existing water and sanitation pipelines. Equipment and technology resulting in improved quality and/or water use efficiency</li> <li>Technologies and products that reduce, reuse, or recycle water as a means of conservation certified to a relevant water-efficiency standard, such as rainwater harvesting systems</li> <li>Investments in the protection of land, forests, and other vegetation in the upper watershed as a means to improve the quality of water bodies and groundwater recharge areas, evidenced by a relevant survey</li> <li>Distribution of drinking water with measurable improvements to water quality, water efficiency or climate change resilience. Examples could include water utilities operating under appropriate regulatory frameworks such as in the UK, EU and the US</li> </ul>	

Sub-themes	Eligible activities	Activity exclusions
Sustainable wastewater management  	<ul style="list-style-type: none"> <li>Processes that facilitate treatment of wastewater on a large scale, such as wastewater treatment plants</li> <li>Development, manufacture, installation or operation of technologies, systems or facilities that recycle, compost or increase efficiency of wastewater processing</li> </ul>	<ul style="list-style-type: none"> <li>Wastewater treatment for fossil fuel operations and/or carbon-intensive sectors</li> </ul>

## Climate change adaptation

Sub-themes	Eligible activities	Activity exclusions
Climate change adaptation    	<ul style="list-style-type: none"> <li>Infrastructure to increase resilience against extreme weather events.<sup>31</sup> Examples could include flood mitigation barriers and wildfire mitigation and management</li> <li>Information support systems, such as climate observation, systems for monitoring GHG emissions and early warning systems</li> </ul>	

## Carbon financing

Sub-themes	Eligible activities	Activity exclusions
Carbon financing 	Financing and enabling the scaling of the voluntary carbon credits market through projects that are otherwise eligible within this Framework and that are certified under at least one of the following standards: <ul style="list-style-type: none"> <li>Verified Carbon Standard (VCS)</li> <li>Gold Standard for Global Goals</li> <li>American Carbon Registry Standard</li> <li>Climate Action Reserve Standard</li> <li>Plan Vivo</li> <li>Woodland Carbon Code (WCC) for UK based afforestation projects</li> </ul>	

<sup>31</sup> Given the potentially significant impact of infrastructure on the environment, all climate change adaptation infrastructure projects will be supported by a vulnerability assessment and adaptation plan.

Sub-themes	Eligible activities	Activity exclusions
Financing charities and non-profit institutes 	<ul style="list-style-type: none"> <li>Provision of dedicated financing to Registered Charities, Non-Profit Institutes and other philanthropic organisations which support activities in line with the green activities identified in the Framework</li> <li>Lending to social enterprises, non-profit organisations and/or registered charities in the UK that have the specific purpose to advance the green themes in this Framework</li> </ul>	

# 3. Social eligibility criteria

# 3. Social eligibility criteria

This section sets out eligible social activities, including any specific exclusions applicable to a particular activity which would mean it is not eligible as a social activity. It also sets out the relevant SDGs for each sub-theme on a best-efforts basis, focusing on the primary SDG contribution from each activity.

## Definition of target populations and target areas<sup>32</sup>

Social financing directly aims to address or mitigate specific social issues and/or seeks to achieve positive social outcomes especially but not exclusively for a target population or a target area. Target population thresholds will vary by region and therefore we adhere to local jurisdiction definitions where available. Examples of target populations and target areas include, but are not limited to, those that are:

- Populations living in low and lower-middle income countries as defined by the World Bank<sup>33</sup>
- Populations living below the poverty line
- Excluded and/or marginalised populations and/or communities
- People with disabilities
- Migrants and/or displaced persons
- Undereducated
- Underserved, owing to a lack of quality access to essential goods and services
- Unemployed
- Women and/or sexual and gender minorities
- Aging populations and vulnerable youth
- Other vulnerable groups, including as a result of natural disasters

## Affordable housing

Sub-themes	Eligible activities	Activity exclusions
Development and provision of affordable housing   	<ul style="list-style-type: none"> <li>• Development and/or operation of shelters, halfway homes or community housing to target populations as defined above</li> <li>• Providing affordable and low-income housing to target populations as defined above. Examples could include affordable housing financed through municipal bonds or municipal lending, affordable and low-income housing financed through Government Sponsored Enterprise (GSE) or affordable and low-income housing provided through Registered Social Landlords (UK)</li> </ul>	<ul style="list-style-type: none"> <li>• US government sponsored entity (GSE) debt</li> <li>• Registered Social Landlords which no longer meet Governance and Viability standards of the UK regulator</li> <li>• For profit, shared ownership or joint-ventures between Registered Social Landlords and non-registered entities</li> </ul>

<sup>32</sup> Based on ICMA Social Bond Principles 2021 (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Social-Bond-Principles-June-2021-140621.pdf>).

<sup>33</sup> World Bank classification is based on Gross National Income (GNI) per capita, calculated through the World Bank Atlas method for low-income or lower middle-income economies (<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>).

Sub-themes	Eligible activities	Activity exclusions
Housing improvements   	<ul style="list-style-type: none"> <li>Renovation, maintenance, and improvement of shelters, halfway homes, community housing or other affordable and social housing projects as described above, which are in poor conditions</li> </ul>	

### Affordable basic infrastructure

Sub-themes	Eligible activities	Activity exclusions
Telecommunication infrastructure and services   	<ul style="list-style-type: none"> <li>Telecommunication services and infrastructure that improves connectivity for target populations and underserved communities<sup>34</sup></li> <li>Provision of free or subsidised/discounted internet to target populations</li> </ul>	
Transportation infrastructure   	<ul style="list-style-type: none"> <li>Development of roads or other transportation infrastructure to improve connectivity for target populations in underdeveloped rural areas, or areas where road infrastructure is clearly inadequate and hinders a community's development</li> <li>Free/discounted access to public transportation infrastructure for target populations</li> <li>Development of sidewalks for public (including accessibility improvements for people with disabilities)</li> </ul>	<ul style="list-style-type: none"> <li>Development of airports</li> <li>Development of highways in urban areas</li> <li>Upgrade of highways and major roads, including in rural areas</li> </ul>

<sup>34</sup> See 'Definition of target populations and target areas' above.

Sub-themes	Eligible activities	Activity exclusions
Other basic infrastructure	<ul style="list-style-type: none"> <li>Development, expansion or improvement of access to clean drinking water, sanitation and sewers</li> <li>Development<sup>35</sup> and expansion of transmission and distribution infrastructure that provides clean energy for target populations in areas where there is no access or access to energy is substantially inadequate</li> </ul>	<ul style="list-style-type: none"> <li>Transmission lines directly connected to fossil fuel power plant (coal, oil, or natural gas)</li> </ul>
		
		
		
		

## Access to essential services

Sub-themes	Eligible activities	Activity exclusions
Access to credit and financing	<ul style="list-style-type: none"> <li>Microfinance lending to the target population with interest rates that are below the market rate</li> <li>SME<sup>36</sup> lending in developing countries</li> </ul>	<ul style="list-style-type: none"> <li>Payday loans.</li> <li>High interest MFI loans</li> <li>SME loans that finance any involvement in alcohol, tobacco, gambling, military weapons or small arms</li> </ul>
		
		
		
		

<sup>35</sup> Where desalination plants are considered, these will be limited to plants that are powered by low-carbon sources, such as renewables, or the electricity has an average carbon intensity below 100gCO<sub>2</sub>/kWh. Additionally, desalination plants will have appropriate waste management plans for brine disposal.

<sup>36</sup> SME as defined by local jurisdictions where applicable or the IFC definition in the absence of local guidelines, which refers to any organization that has fewer than 300 employees and a turnover and total assets of less than USD 15 million, at: [https://www.ifc.org/wps/wcm/connect/industry\\_ext\\_content/ifc\\_external\\_corporate\\_site/financial+institutions/priorities/ifcs+definition+of+targeted+sectors](https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definition+of+targeted+sectors).

Sub-themes	Eligible activities	Activity exclusions
<p>Accessible and affordable healthcare</p>  	<p>Hospitals, care facilities/clinics</p> <ul style="list-style-type: none"> <li>Development, expansion or acquisition of any buildings or facilities at any non-profit, public, standalone or university-affiliated hospital, clinic, mental health facility or healthcare facility</li> <li>Development, expansion or acquisition of any buildings or facilities at any for-profit hospital, clinic or healthcare facility that guarantees access to target populations.<sup>37</sup></li> <li>Development of any facilities for community health service providers</li> <li>Development and provision of community-based healthcare, mental health care or social services in target areas or to target populations</li> </ul> <p>Community health service providers<sup>38</sup></p> <ul style="list-style-type: none"> <li>Development of any facilities for community health service providers</li> <li>Development and provision of community-based healthcare, mental health care or social services in target areas or to target populations</li> </ul> <p>Providers supporting healthcare related products and services</p> <ul style="list-style-type: none"> <li>Development of critical medical equipment or provision of diagnostic services public and private hospitals<sup>39</sup>. Examples could include MRI machines, respirators or services that support diagnostics such as laboratory testing</li> <li>Research into potential cures for neglected diseases defined as per WHO Neglected Tropical Diseases<sup>40</sup></li> <li>Provision of affordably priced or subsidised medicines on the World Health Organisation (WHO) essential medicines list to target populations or in target areas</li> </ul> <p>Public health emergency response</p> <ul style="list-style-type: none"> <li>Public health crisis emergency response (including COVID-19-response). Examples include financing to increasing healthcare capacity, operational support of vaccine deployment, training of personnel to assist pandemic response</li> </ul>	
<p>Regeneration of and access to public spaces</p>  	<ul style="list-style-type: none"> <li>Development of and free/discounted access to recreational centres (e.g. YMCA/YWCA), cultural centres, museums and libraries in target areas or for target populations.</li> <li>Development of parks</li> </ul>	<ul style="list-style-type: none"> <li>Professional stadiums and sports centres</li> <li>Public spaces dedicated to religious and political activities</li> </ul>

<sup>37</sup> Sustainalytics considers the financing of healthcare facilities that ensure accessibility and affordability to be a credible social activity.

<sup>38</sup> Sustainalytics considers the financing of health service providers that ensure accessibility and affordability to be a credible social activity.

<sup>39</sup> Sustainalytics considers the financing of manufacture of medical equipment when it is specifically for use and to be supplied to public hospitals or private facilities where affordability is ensured as a credible social activity.

<sup>40</sup> WHO Neglected Tropical Diseases, at: [https://www.who.int/health-topics/neglected-tropical-diseases#tab=tab\\_1](https://www.who.int/health-topics/neglected-tropical-diseases#tab=tab_1)

Sub-themes	Eligible activities	Activity exclusions
Access to affordable and quality education 	Pre-K/ Nursery, primary, secondary and post-secondary education <sup>41</sup> <ul style="list-style-type: none"> <li>Development of public pre-K/Nursery, elementary and secondary education facilities and programs</li> <li>Development of community colleges, vocational schools or public and private not-for-profit universities</li> </ul> Education service providers/vocational training <ul style="list-style-type: none"> <li>Development of trade schools, job training or job placement programs for target populations provided free or sufficiently subsidized to ensure affordability</li> <li>Other educational programs for target populations or in target areas provided free or sufficiently subsidized to ensure affordability</li> </ul>	<ul style="list-style-type: none"> <li>Private schools that are for-profit</li> <li>Sporting facilities and stadiums at universities</li> </ul>

## Food security and sustainable food systems

Sub-themes	Eligible activities	Activity exclusions
Food and water security  	<ul style="list-style-type: none"> <li>Developing access to nutrition (food and potable water) programs that address malnutrition for target populations in areas with an explicit need to tackle food security which will be made affordable to all regardless of ability to pay</li> <li>Provision of technical capacity building or training to smallholder farmers<sup>42</sup> to increase nutritional quality of agricultural products</li> <li>Development of equipment and drugs for food and water safety including water purification tablets for target populations</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of agricultural products that are forbidden under WHO Class I &amp; II hazardous products<sup>43</sup></li> <li>Projects involving livestock for industrial-scale meat processors or producers</li> <li>Genetically modified crops</li> </ul>
Sustainable food systems  	<ul style="list-style-type: none"> <li>Development or provision of agricultural training programs for smallholder farmers<sup>42</sup> to increase uptake of new technology and introduce efficient farming practice.</li> <li>Provision of products and services to smallholder farmers<sup>42</sup></li> </ul>	<ul style="list-style-type: none"> <li>Projects involving livestock for industrial-scale meat processors or producers</li> </ul>

<sup>41</sup> Sustainability considers the financing of education facilities that ensure accessibility and affordability to be a credible social activity

<sup>42</sup> The definition of 'smallholder' varies by region. Unless an alternative jurisdictional definition is available, we define 'smallholder' as follows:

- UK: operations smaller than 54 hectares, in line with the UK Government definition for 'smaller than average size farms' (<https://www.farmbusinesssurvey.co.uk/DataBuilder/Default.aspx?Menu=Menu&Module=Results&rgREF=020058>)
- US: operations with gross cash farm income under \$250,000, in line with the USDA definition of 'small farms' (<https://www.usda.gov/media/blog/2010/05/18/small-farms-big-differences>)

All other regions: operations smaller than 2 hectares, in line with the UN Food and Agricultural Organization (FAO) definition ([https://www.iisd.org/ssi/wp-content/uploads/2019/09/Smallholders\\_publication.pdf](https://www.iisd.org/ssi/wp-content/uploads/2019/09/Smallholders_publication.pdf)).

<sup>43</sup> The WHO Recommended Classification of Pesticides by Hazard and guidelines to classification, 2019 edition, (<https://www.who.int/publications/i/item/9789240005662>)

## Cross-theme

Sub-themes	Eligible activities	Activity exclusions
Financing charities and non-profit institutes 	<ul style="list-style-type: none"> <li>Provision of dedicated financing to Registered Charities, Non-Profit Institutes and other philanthropic organisations which advance social causes such as gender equality, LGBTQ+, human rights and culture</li> <li>Lending to social enterprises, non-profit organisations and/or registered charities that have the specific purpose to advance the social themes in this Framework</li> </ul>	<ul style="list-style-type: none"> <li>Religious and political institutions.</li> </ul>
Development banks, intergovernmental and supranational organisations     	Raising capital for, lending to, or co-investing with organisations that have a development mandate provided the funds are used for projects that are eligible under this Framework. Examples include: <ul style="list-style-type: none"> <li>Development Banks or Development Finance Institutions (DFIs) (e.g. World Bank, European Bank for Reconstruction and Development (EBRD), International Bank for Reconstruction and Development (IBRD), African Development Bank (ADF));</li> <li>Intergovernmental Organisations (IGOs) (e.g. UN agencies);</li> <li>Supranational organisations with a development mandate (e.g. European Investment Bank (EIB), Nordic Investment Bank); or</li> <li>National Development Banks (e.g. KfW, Development Bank of Japan (DBJ))</li> </ul>	<ul style="list-style-type: none"> <li>Stabilising mechanisms, specifically the European Financial Stabilisation Mechanism (EFSM) and European Financial Stability Facility (EFSF)</li> <li>Organisations without development mandates</li> </ul>

## Employment generation

Sub-themes	Eligible activities	Activity exclusions
<p>Employment generation</p>   	<ul style="list-style-type: none"> <li>• Training and development programmes, capacity building aimed at improving the employability and upskilling of target population.</li> <li>• Support towards MSMEs that qualify on the basis of credible job creation programme such as programmes for employment of youth, underemployed people, or people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial development and private sector projects for carbon-intensive industries</li> <li>• Institutions that are for-profit</li> </ul>

# 4. Product scope and accounting basis

## 4. Product scope and accounting basis

The below products are included within the scope of Barclays' sustainable and transition financing facilitated target of \$1trn between 2023 and 2030. We include both new facilities and refinancing of existing facilities.

Business unit	Product	Description	Relevant alignment frameworks <sup>44</sup>	Accounting basis
CIB - Banking	Debt Capital Markets (DCM)/ Leveraged Finance (LF)	Financials corporate, public sector issued Use of Proceeds (green/ social/ sustainability) bonds and government related development bank issuances	Barclays Sustainable Finance Framework ICMA Green, Social and Sustainability Bond Principles. CBI Climate Bond Standard	Proportional bookrunner share <sup>45</sup>
	Equity Capital Markets (ECM)	Initial public offerings (IPOs), follow-on offerings (FPOs), convertible bonds, at-the-market (ATM) transactions and ESG special-purpose acquisition company (SPAC) transactions	Barclays Sustainable Finance Framework	Proportional bookrunner share <sup>46</sup>
	Syndicated Loans	Loans for qualifying social and green themes	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Green Loan Principles LMA/APLMA/LSTA Social Loan Principles	Proportional bookrunner share
	Private Capital Market (PCM)	Private placements for qualifying social and green themes	Barclays Sustainable Finance Framework	Proportional bookrunner share
	Commercial Mortgage Backed Securities (CMBS)	CMBS deals that have underlying green assets that are LEED certified Underlying social assets that qualify under affordable social housing criteria	Barclays Sustainable Finance Framework ICMA Sustainability Linked Bond Principles	Proportional bookrunner share
	Sustainability-Linked Loans (SLLs) <sup>47</sup>	Sustainability-linked financing instruments as described in Section 1 above	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Barclays' hold of the deal value
	Sustainability-Linked Bonds		Barclays Sustainable Finance Framework	Proportional bookrunner

<sup>44</sup> One or more of the listed frameworks may be used in practice.

<sup>45</sup> Total deal value divided by total number of book runners, proportional on a pro rata basis.

<sup>46</sup> ESG SPAC transactions are only recognised at the time that vehicle merges with acquisition company.

<sup>47</sup> Sustainability-linked loans are originated in both the Investment Bank and the Corporate Bank.

	(SLBs)		ICMA Sustainability-Linked Bond Principles	share
CIB - Markets	Municipal Financing	Municipal bonds with eligible social and/or green criteria	Barclays Sustainable Finance Framework	Proportional bookrunner share
	Securitised Products	Securitised products across asset classes including asset-backed securities, residential and commercial loan securitisation CRE Loans on green commercial properties	Barclays Sustainable Finance Framework ICMA Green Bond Principles CBI Climate Bond Standard	Proportional bookrunner share
	Credit	Collateralised loan obligations and loan portfolio financing Renewable energy project finance	Barclays Sustainable Finance Framework ICMA Green Bond Principles	Proportional bookrunner share
CIB – Corporate Banking	Green Loans <sup>48</sup>	Term lending or revolving credit facility with a dedicated purpose that falls within the green eligibility criteria	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Green Loan Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Green Trade Finance	Financial products that facilitate trade flows and transactions between importers and exporters across both domestic and international markets	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Green Bonds, Guarantees, and Indemnities (BGIs)	Binding commitments given by Barclays to support trading activities	Barclays Sustainable Finance Framework ICMA Green Bond Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Green Bill of Exchange and Promissory Note Discounting	Trade products which facilitate cash flow through the purchase of qualifying trade debts by Barclays, at an agreed discount	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Green Selective Receivable Finance	Trade products which convert trade receivables from qualifying transactions into cash	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Green Import Letters of Credit	A written undertaking given by a bank on behalf of the importer to pay the exporter an amount of money within a specified time.	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Green Asset Based Lending &	An effective means of supporting our	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase

<sup>48</sup> Green loans are originated in both the Corporate Bank and the Business Bank within Barclays UK.

	Confidential Invoice Discounting	customers by releasing money tied up in their sales ledger to provide working capital and fund business growth		to limits in the case of refinancing)
	Sustainability-linked Bonds, Guarantees, and Indemnities	Binding commitments given by Barclays to support trading activities	Barclays Sustainable Finance Framework ICMA Sustainability-Linked Bond Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Sustainability-Linked Trade Finance	Financial products that facilitate trade flows and transactions between importers and exporters across both domestic and international markets	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Sustainability-Linked Import Letters of Credit	A written undertaking given by a bank on behalf of the importer to pay the exporter an amount of money within a specified time	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Sustainability-Linked Bill of Exchange and Promissory Note Discounting	The purchase of qualifying trade debts by Barclays, at an agreed discount	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Sustainability-Linked Asset Based Lending & Confidential Invoice Discounting	An effective means of supporting our customers by releasing money tied up in their sales ledger to provide working capital and fund business growth	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Infrastructure and Project Finance	Infrastructure Project Finance for eligible projects that fall within the green eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Public Sector Finance	Public sector lending that fall within the eligible social and green criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Sustainability-Linked Partner Capital Subscription Facilities	Partner Capital lines which have sustainable performance targets.	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability-linked Loan Principles	Limits at issuance (and any incremental increase to limits in the case of refinancing)
	Other Lending	Loans (includes any type of loan instrument to finance or re-finance) to entities whose business mix is eligible as per this Framework	Barclays Sustainable Finance Framework	Limits at issuance (and any incremental increase to limits in the case of refinancing)
Consumer businesses	Green Home Mortgage	Residential and BTL mortgage product that	Barclays Sustainable Finance Framework	Total mortgage lending

	rewards customers for purchasing an energy efficient new build home. It offers a lower interest rate in comparison to the equivalent core range and is available to customers purchasing an EPC (energy efficiency) A or B rated new build home		
Sustainable Investing	<p>Direct investments into investment funds focused on sustainable and social impact related businesses</p> <p>Private market, private equity and private debt.</p> <p>Green thematic fund investment</p> <p>Structured Products for dedicated green activities</p>	Barclays Sustainable Finance Framework	Total funds invested

## Reporting overview

Public capital markets transaction data is collected from Dealogic and Bloomberg. Data for all other products is sourced from Barclays' internal lending systems.

Each transaction is assessed against the eligible green and social criteria in this Framework by a dedicated team within our Global Finance function and, where applicable, against the relevant LMA/APLMA/LSTA or ICMA Principles.

All data is reviewed by business teams and subject to independent limited assurance before finalisation. We are continuing to invest in enhancing data capture and classification processes. This includes a dedicated team within our Global Finance function to continue to enhance processes, systems and controls for green and sustainable finance reporting as well as a detailed implementation handbook to support consistent assessment of eligible transactions.

Barclays reports on progress against our financing Targets in the Annual Report on an annual basis. See <https://home.barclays/investor-relations/reports-and-events/annual-reports/>.

Our definitions, measurement methodology and controls for select ESG KPIs including our sustainable finance metrics can be found in the Barclays ESG Reporting Framework on our website: <https://home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/#additionalresources>.

# Disclaimer

Barclays Bank PLC and its affiliates (“Barclays”) note that there is currently no global framework or definition (legal, regulatory or otherwise) as to what constitutes, an “ESG” (Environmental, Social or Governance), “green”, “sustainable”, “climate-friendly” or an equivalently-labelled product, or as to what precise attributes are required for a particular investment, product or asset to be defined as “ESG”, “green”, “sustainable”, “climate-friendly” or such other equivalent label nor can any assurance be given that such a clear global definition or consensus will develop over time. As a result, Barclays is making this statement in order to assist its customers, potential customers and other third parties /with regard to its own current position in view of the possibility of different interpretations of these terms. develop over time.

Any information contained or referred to herein, in relation to any actual or potential ESG objective, issue or consideration is not intended to be relied upon for EU Sustainable Finance Disclosures Regulation classification purposes, EU Taxonomy Regulation classification purposes, or equivalent classification regimes (“Classification Regimes”).

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Investors, users and other relevant persons are reminded that differences in interpretation are possible. Different persons (including third-party data providers, investors and other financial institutions) may apply different interpretations, standards and criteria, including through use of internal methodologies, and arrive at different conclusions. Investors, users and other relevant persons are advised to obtain their own independent financial, legal, regulatory, tax or other advice as necessary in order to make their own investment decision as to whether an index, investment, product or asset meets their ESG needs, including ESG performance, ESG alignment, and alignment to or compliance with any regulatory regime (including without limitation, the Classification Regimes).