

Barclays – Environmental, Social and Governance (ESG)

2020 Reporting Framework

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Approach

This document sets out Barclays' Environmental Social Governance (ESG) Reporting Framework including the definitions and measurement methodology for key performance metrics in our 2020 Environmental Social Governance (ESG) Report.

To ensure the integrity of our key performance data we continue to operate internal controls and maintain a clear audit trail supported by internal and independent external assurance processes. Reporting on non-financial metrics does not yet have the same rigour and standardised definitions that apply to financial reporting. We are keen to enhance our approach to measuring performance and adopt more innovative ways to measure the wider outcomes and impacts of our activity. However, we also need to strike a balance between innovative metrics and the ability to credibly gather and verify data.

We publish this ESG Reporting Framework, which sets out definitions and assumptions for our key metrics, and outlines data collection and verification processes. We are committed to improving our reporting processes and will publish an updated version of this Framework on an annual basis.

Principles for Responsible Banking (PRB)

Our 2020 ESG Report sets out our commitment to the PRB of which Barclays was one of the 30 founding banks. Further details can be found on pages 78-86 of our [2020 ESG Report](#).

Sustainability Accounting Standards Board (SASB)

Our 2020 ESG Report has been prepared with reference to the SASB Financial Sector Standards. Further details can be found on pages 87-94 of our [2020 ESG Report](#).

Global Reporting Initiative (GRI)

Our 2020 ESG Report has been prepared in accordance with the GRI Standards (core option). Further details can be found on pages 95-109 of our [2020 ESG Report](#).

Assurance

KPMG LLP were engaged to undertake an independent Limited Assurance engagement under ISAE (UK) 3000 and ISAE 3410 over selected information contained within our 2020 ESG Report. Refer to their assurance statement on pages 111-112 of our [2020 ESG Report](#).

Citizenship and Sustainability Commitments

Enhancing our focus on impact

We will continue to report against our goals in our Annual Report and ESG Report – this will be done using a range of quantitative and qualitative indicators, tracking both the outputs and, where possible, the impact and outcomes of our activity.

Metrics and definitions

The following section sets out the reporting boundaries and definitions for the Barclays Citizenship and Sustainability Commitments. The performance reported covers the entirety of Barclays PLC together with its subsidiaries, unless otherwise stated. ‘Barclays’ and ‘Group’ are terms which are used to refer to Barclays PLC when the subject matter is identical.

The reporting period of the metrics is the 2020 calendar year unless otherwise indicated.

Theme	Metric	Definition	Reporting and controls process
CAPITAL AND PRODUCTS	Financing facilitated in environmental and social segments (GBP)	<p>Sustainable finance at Barclays We measure the volume (in GBP) of financing in select environmental and social segments in the reporting period. The criteria for eligible environmental and social segments can be found in the Barclays Sustainable Finance Framework.</p> <p>Our sustainable financing volume comprises:</p> <ol style="list-style-type: none"> 1. Financing that is eligible under the Sustainable Finance Framework; <ol style="list-style-type: none"> a) Labelled/use of proceeds green and social issuance (dedicated purpose financing) b) Financing based on eligible company business mix (general purpose financing) 2. Sustainability-linked financing. <p>1a) Labelled/use of proceeds green and social issuance We aim to work across our business lines to deliver innovative client-focused solutions across a range of critical social and environmental themes:</p> <ul style="list-style-type: none"> • Environmental financing – capital markets and lending for renewable energy, sustainable water management, low carbon technologies, climate change adaptation and other green categories; 	<p>1. Financing eligible under the Sustainable Finance Framework Financing volume is tracked across selected products and business lines according to specific social and environmental criteria set out in the Sustainable Finance Framework.</p> <p>The Framework was developed by Barclays with support from Sustainalytics, a global provider of ESG and corporate governance research, ratings and analytics. Sustainalytics reviews updates to the Framework on an annual basis to ensure it is in line with market best practice.</p> <p><u>Accounting basis</u> All financing volumes are reported on a proportional share basis:</p> <ul style="list-style-type: none"> • For capital markets transactions, Barclays’ share of the transaction or league table credit; • Syndicated lending reflects Barclays’ share or hold of the overall transaction value; • Lending is calculated as total value of new commitments during the reporting period.

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		<ul style="list-style-type: none"> • Social financing – social housing, education, affordable basic infrastructure and other public services; • Development institutions – government-related development banks, supranationals and sovereign issued green, social and sustainability bonds; • Green loans, mortgages, project finance and asset finance. <p>1b) Financing based on eligible company business model Barclays recognises that the funding we provide to our clients to enable green and social activities extends beyond financing in a labelled green or social format (green bonds, green loans, social bonds, and sustainability bonds). We also qualify financing we provide to pure play companies whose business model is eligible (>90%) under the green and social criteria of the Sustainable Finance Framework (e.g. renewable energy companies, clean tech companies, etc.).</p> <p>In some instances, we provide funding to companies with substantial, and often growing, eligible green activities, but that are below the 90% eligible business mix 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 company’s business mix, subject to minimum thresholds set out below. Where the recipient company’s eligible business mix is between 50% and 90%, we include a corresponding share of the financing. Due to the lack of availability of sufficiently granular revenue data for revenues in the social categories, the pro-rata approach</p>	<p>Reporting process Data is collected from Barclays’ systems (lending data) or through external data sources (public capital markets transactions).</p> <p>Transaction data is collected from the Dealogic platform and Bloomberg over the reporting period and reported to the Sustainability & ESG team. Where data has been sourced from Dealogic, the 2020 performance reported is consistent with the data extract as at 22 January 2021. Additional transactions that are not picked up through the external data sources, are extracted from Barclays’ internal lending systems, assessed on a case-by-case basis and added manually.</p> <p>Relevant transactions and loan volumes are screened against the qualifying social and environmental criteria. All data is reviewed by the business teams and are subjected to central checks by the Finance and Sustainability & ESG teams before finalisation.</p> <p>Financing qualified based on environmental criteria is reported as green and financing qualified based on social criteria is reported as social.</p> <p>2. Sustainability-linked financing Data is collected by regional deal teams in Europe, the US and Asia Pacific based on Barclays’ systems and reported to the Sustainability & ESG team.</p> <p>The sustainability-link for each deal is reviewed against the Loan Market Association (LMA) Sustainability Linked Loan Principles for inclusion in the data set.</p>

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		<p>only applies to green thematic categories of the Framework.</p> <p>2. Sustainability-linked financing Sustainability-linked financing instruments are loan instruments or contingent facilities which incentivise the borrower to achieve pre-determined sustainability performance targets (SPTs) by linking them to the pricing mechanism of the facility.</p> <p>They differ from dedicated purpose (green/social use of proceeds) facilities in that the funds can be general purpose in nature and are not necessarily directed towards activities under the environmental and social criteria of the Barclays Sustainable Finance Framework.</p> <p>SPTs which are included in the pricing ratchet can be for individual performance metrics (e.g. reduction of GHG emissions, energy efficiency improvements, etc.) or linked to third party ESG scores (e.g. MSCI ESG score or Sustainalytics' ESG risk rating). These facilities enable the integration of sustainability factors into a broader set of products and offer an additional means of engaging clients on sustainability considerations.</p>	<p>The volume of sustainability linked financing provided is reported separately to green and social financing above.</p>
	Treasury green bond portfolio	We track investments in labelled Green Bonds and the number of issuers.	The Green Bond investment balance is provided by Barclays' Treasury based on a download of their booking system.

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ECONOMIC GROWTH	Work with partners to build thriving local economies	<p>Barclays is partnering with people and businesses in local communities around the UK to learn about different types of economy and commit to action on the ground – beyond our day-to-day products and services – to help those economies thrive.</p> <p>The Thriving Local Economies initiative focuses on four pilot areas in geographically different parts of the country and representing different types of place: a metropolitan area, a smaller town, a rural area and a coastal community.</p> <p>We are looking to undertake this initiative in areas which are broadly typical of their type of community. We are targeting areas which are statistically representative of their kind of community based on factors such as average income; employment; educational attainment and business start-up levels. As such our pilots will each contain areas of affluence, deprivation and everything in between: just like the UK as a whole.</p>	<p>Qualitative outcomes are collected from the pilot projects in the four geographical areas:</p> <ul style="list-style-type: none"> • Bury, Greater Manchester (metropolitan); • Kilmarnock, Scotland (smaller town); • Taunton Deane, Somerset (rural); • Great Yarmouth, Norfolk (coastal) – to be launched in Q1 2021. <p>Due to COVID-19 the operation of the evaluation framework has been affected and the project’s annual report provides an alternative ‘narrative’ based approach to assessing the ongoing impacts.</p>
SKILLS & EMPLOYABILITY	Number of people up-skilled through our LifeSkills programme	<p>We measure the number of people who have participated in the LifeSkills programme through:</p> <ul style="list-style-type: none"> • Accessing online content; • Participating in activity led by Barclays volunteers or charity partners funded by Barclays; and • Participating in activity led by educators working with young people or adults. 	<p>Data is reported quarterly from the following sources:</p> <ul style="list-style-type: none"> • Online activity from LifeSkills user data and Adobe Analytics data; • Charity partners’ activity with young people or adults; • LifeSkills volunteering activity recorded by Barclays employees. <p>Further details on the methodology applied to report the number of individuals supported with LifeSkills can be found at: http://www.barclayslifeskills.com/reporting</p>

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	Number of people placed into work through our Connect with Work partnerships	We measure the number of persons employed for pay or profit. This includes any paid work (i.e. full time, part time, temporary, seasonal, informal work, paid apprentices, paid internships), but excludes any unpaid work experience, unpaid internships and volunteer work. Pay and profits are defined as monetary value.	<p>Data is reported via the Partner Management Reporting Tool. In the reporting platform, the data is reviewed and signed off at two different levels – country and region, before it is reviewed again centrally and aggregated into an overall figure.</p> <p><u>Reporting period</u> The performance reported for the programmes run by our charity partners covers a 12-month period. Due to the nature and timing of individual programmes, reporting periods may not coincide with the calendar year.</p>
ENVIRONMENTAL STEWARDSHIP	Global carbon emissions (tonnes CO _{2e})	<p>The methodology used to calculate our greenhouse gas (GHG) emissions is the <i>Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Revised Edition)</i>, defined by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD).</p> <p>We have adopted the operational control approach on reporting boundaries to define our reporting boundary. Where properties are covered by Barclays' consolidated financial statements but are leased to tenants, these emissions are not included in the Group GHG emissions calculations.</p> <p>Where Barclays is responsible for the utility costs, these emissions are included. Our reporting boundary is as follows:</p> <ul style="list-style-type: none"> • Scope 1: direct combustion of fuels (globally, and company-owned vehicles UK); 	<p>Data collection and reporting is managed by the Corporate Real Estate Solutions & Location Strategy (CRES & Location Strategy) Environmental Management Team. GHG performance is gathered using the internal management reporting process run by the CRES Environmental Management Team.</p> <p><u>Reporting period</u> The 2020 reporting period for Barclays' operational environmental footprint is from 1 October 2019 until 30 September 2020. 2020 performance reported is consistent with the data extract as at 22 January 2021.</p> <p><u>Data collection</u> GHG data is collected on a monthly basis for three functions:</p> <ul style="list-style-type: none"> • Real estate; • Data centres;

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		<ul style="list-style-type: none"> • Scope 2 (location based and market based): purchased electricity and steam for own use (globally); • Scope 3: Indirect emissions from business travel (global air travel, UK private cars, rail, taxis and UK, India and US car hire). <p>Energy consumption data will be retrieved from actual invoices, utility bills (including estimates provided by utility providers), meter readings or automatic meter reading data feeds whenever possible. In some instances, utility providers will also provide estimated bills which are calculated by utility providers and will be used for reporting purposes.</p> <p>In some instances, where metered data or utility invoice data is not available, electricity consumption will be calculated based on Barclays' calculated estimates. The following hierarchy of estimation processes at a site level is used which are in order of preference: 12 month rolling average, previous years' data, normalised intensity factor and extrapolation data.</p> <p>As per our market based emissions accounting approach (defined below) we also track the percentage renewable electricity based on step 1 of the market based hierarchy below. The total volume of renewable electricity consumption for the reporting year is divided by the total electricity consumption (both non-fossil fuel and fossil fuel) for the reporting year.</p> <p>To calculate Scope 1 and Scope 2 emissions, an emission factor is applied to all energy data. Emission factors are updated annually by our data tool provider ahead of full year reporting. The latest published emission factors for</p>	<ul style="list-style-type: none"> • Business travel. <p>Real estate and data centres' GHG data is collated centrally via a reporting tool. Travel data is collated centrally from different systems across Barclays and uploaded into the reporting tool.</p> <p><u>Data validation</u> Data undergoes a validation process on a quarterly basis. This process looks at:</p> <ul style="list-style-type: none"> • Comparison against previous period to check accuracy and identify unusual discrepancies; • Where unusual trends are identified they are sent back to data providers for further clarification and commentary; • When errors are found, corrections are uploaded into the reporting system with clear auditable trail of information. <p><u>Approach to adjustments</u> We continuously review and update our performance data based on updated GHG emission factors, improvements in data quality and updates to estimates previously applied. Where our performance has changed by more than 1% we have restated these figures.</p> <p>The 2019 Scope 2 market based emissions figures have been restated during 2020. This reflects updates to residual mix emission factors, specifically in the US.</p>

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		<p>the given year are applied across the reporting period, ensuring that the factors most recent to each reporting year are used. A formal written confirmation is provided to Barclays by the data tool provider once the emission factors have been updated for the reporting year.</p> <p>To support Scope 2 market based electricity reporting, Barclays adopted the market based approach as defined by the <i>Greenhouse Gas Protocol Scope 2 Guidance</i> for market based emissions reporting. The hierarchy of emission factors applied is as follows:</p> <p><u>Market based</u></p> <ol style="list-style-type: none"> 1. Emission factors associated with the purchase of renewable electricity attribute certificates, equivalent instruments or contracts for electricity (Power Purchase Agreements – PPAs). 2. If no renewable electricity is being procured or generated, the country or state level residual mix factor is applied using the most recently published data. 3. If a residual mix factor is unavailable a location based emission factor will be applied. <p><u>Location based</u></p> <ol style="list-style-type: none"> 1. Use GHG Protocol factors at the most local level where they are available; 2. Use best available local factor where GHG Protocol factor is not available such as US steam factors from the US Energy Information Agency. <p><u>Scope 3 Business travel</u> GHG Protocol Emission Factors from Cross Sector Tools:</p>	

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		<ul style="list-style-type: none"> • Short haul flights use Air-Short Haul- Economy Class • Long haul flights use Air- Long Haul- Business Class <p>An 8% uplift is included in the GHG calculations from 2013 onwards to account for planes not flying using the direct route. This is in line with the update from DEFRA.</p> <p>Remaining ground transport emissions are provided by travel suppliers.</p> <p>While Barclays procures voluntary carbon offsets for its operational emissions, these have not been factored in the emission figures reported.</p>	
SUSTAINABLE INNOVATION	Unreasonable Impact	<p>Barclays and Unreasonable Group have partnered to launch Unreasonable Impact, an international network of accelerators focused on scaling up entrepreneurial solutions that will help employ thousands worldwide while solving some of our most pressing societal challenges.</p> <p>Unreasonable Impact is a series of programmes held in select geographies across the world that support the scale of growth-stage ventures by providing entrepreneurs with the resources, mentorship, and global network of support that they need to rapidly create jobs and address key global issues.</p> <p>Barclays is committed to supporting entrepreneurs and their ventures worldwide by providing a range of services that can support businesses at every key stage of their development – from start-up, to scale-up, to IPO. Barclays believes that as one of the world’s largest banks, it is uniquely positioned to support today’s fastest</p>	Data is collected by Unreasonable Group on the number of ventures supported through the Unreasonable Impact programmes.

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		growing entrepreneurs, who are also rapidly creating the jobs of tomorrow.	
INVESTMENT IN THE COMMUNITY	Investment in the community (GBP)	<p>Barclays supports the communities in which we operate by investing money and skills with our wide range of community partners including charities, social enterprises, NGOs and other organisations that deliver a clear public benefit.</p> <p>Our investment in the community is reported in GBP using the London Benchmarking Group methodology and consists of three components:</p> <ol style="list-style-type: none"> 1. Cash contributions include direct cost of delivering our Citizenship programmes and business led donations; 2. Management cost are overheads incurred as part of managing programme delivery and activating and communicating our programmes to colleagues and society; 3. Monetised working hours reflect colleague volunteering conducted during working hours. 	<p>Cash contributions and management costs are collated globally from Barclays core financial reporting systems. Effort is directed to ensure that these numbers are a fair reflection of Barclays' contribution to the community and that this is not overstated. Some aspects require a level of professional judgement to be applied.</p> <p>Volunteering hours are self-reported by colleagues and captured in Barclays' participation reporting platform. Only volunteering conducted during work hours are monetised using average staff costs calculated by the HR Department both. These figures have not been audited nor assured.</p>