

# Environmental, Social, Governance

2018 Reporting Framework

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## Approach

The aim of this document is to outline Barclays' Environmental Social Governance (ESG) reporting framework and set out the definitions and measurement methodology for our key performance metrics.

The Shared Growth Ambition, Barclays' ESG strategy for 2016-18 includes a set of streamlined performance metrics, aligned to its key focus areas. This builds on the measurement framework, reporting processes and controls developed for our 2015 Citizenship Plan.

We will continue to maintain a robust internal and external assurance process for our key metrics, helping to ensure that we have strong controls and clear audit trails. 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 need reliable tracking mechanisms with robust controls.

We publish this 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 reporting framework on an annual basis.

## Global Reporting Initiative

Our 2018 ESG Report has been prepared in accordance with GRI Standards (Core option). Further details on the requirements can be found in our 2018 GRI Content Index (link). See our 2018 ESG Report at <https://www.home.barclays/citizenship/our-reporting.html> for more information.

## Assurance

KPMG LLP undertook a limited assurance engagement over selected performance information in our 2018 ESG Report. Refer to their statement within the ESG Report available at <https://www.home.barclays/citizenship/our-reporting.html>.

## Shared Growth Ambition

Shared Growth is based on the concept of shared value, a corporate strategy based on policies and practices that enhance competitiveness by addressing social and environmental issues. With its focus on financial access, upskilling the economy and financing solutions to global challenges, the Shared Growth Ambition aims to turn social purpose into corporate strategy.

The Shared Growth Ambition defines opportunities for Barclays across four themes, defined in close consultation with internal business leaders and external stakeholders.

1. **Access to Financing:** We continue to create access to funding solutions for areas including, environmental financing via the capital markets and lending for clean energy, water and low carbon technologies; social infrastructure; national and supranational development institutions; and small business financing. We also continue to support our Green Bond Treasury portfolio.
2. **Access to Financial and Digital Empowerment:** We improve access to financial services, including developing targeted empowerment products and services for individuals and small businesses. We also provide digital and financial literacy skills training to help empower our customers.
3. **Access to Employment:** We help people develop the vital skills they need to get into work and support entrepreneurs to scale businesses and create employment opportunities.
4. **The Way we do Business:** We also continue to have performance targets for the way we do business – reducing global carbon emissions by 30% from a 2015 baseline by 2018, ensuring that we pay our suppliers on time and that our colleagues complete training and attest to the Barclays Way, our global Code of Conduct.

### 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.

## Shared Growth Ambition metrics and definitions

The following glossaries define the reporting boundaries and definitions for Barclays' Shared Growth Ambition KPIs. All our data is for all 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.

Theme	Metric	Definition	Reporting and controls process
<p><b>ACCESS TO FINANCING</b></p> <p>This helps to fund crucial social and environmental infrastructure, while giving us access to growing markets</p>	<p>Financing in select social and environmental segments (GBP)</p>	<p>We measure the volume (in GBP) of new financing in select social and environmental segments in the reporting period.</p> <p>We believe the debt and capital markets can and will play a stronger role in funding critical social and environmental infrastructure. 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"> <li>• <b>Environmental financing</b> – capital markets and lending for clean energy, water, low carbon technologies and other categories;</li> <li>• <b>Social Infrastructure</b> – social housing, education and other public services;</li> <li>• <b>Development institutions</b> – government related development banks, supnationals and sovereign issued green bonds;</li> <li>• <b>Green loans, mortgages and asset finance;</b> and</li> <li>• <b>Small business financing in the 25% most deprived areas of the UK</b> – focusing on businesses within the scope of our submissions to UK Finance's (UKF) SME database.</li> </ul>	<p>Financing volume is tracked across selected segments and business lines according to specific social and environmental inclusion criteria developed by Sustainalytics.</p> <ol style="list-style-type: none"> <li>1. <u>Qualifying social and environmental themes</u> Barclays commissioned Sustainalytics, a global provider of ESG and corporate governance research, ratings and analytics, to help develop an Impact Eligibility Framework for assessing financing in social and environmental segments. This defines the selected segments eligible to be tracked under the framework. Current application and exclusions are noted below.  The framework is reviewed annually and is available on our website at <a href="https://www.home.barclays/citizenship/our-reporting.html">https://www.home.barclays/citizenship/our-reporting.html</a>.</li> <li>2. <u>Financing and lending volume definition</u> All financing volume is reported on a Barclays pro-rata share basis: <ul style="list-style-type: none"> <li>• For capital markets transactions, Barclays share of the transaction or league table credit.</li> <li>• Syndicated lending reflects Barclays share or hold of the overall transaction value.</li> </ul> </li> </ol>

Theme	Metric	Definition	Reporting and controls process
			<ul style="list-style-type: none"> <li>Lending is calculated as total value of new commitments during the period.</li> </ul> <p>3. <u>Reporting process</u> 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, Bloomberg and Thomson Reuters over the reporting period. Additional transactions that are not picked up through the Dealogic download, are sourced from Barclays’ internal lending systems, assessed on a case-by-case basis and added manually.</p> <p>Relevant transactions and loan volume are screened against the qualifying social and environmental themes.</p> <p>All data is reviewed by the business teams and subject to central checks by the Finance and ESG teams before finalisation.</p>
<p><b>ACCESS TO FINANCIAL AND DIGITAL EMPOWERMENT</b></p> <p>This ensures customers and communities can benefit from financial and digital services, while helping us increase loyalty and engagement</p>	<p>Number of individuals and small businesses with improved access to financial and digital empowerment services</p>	<p>We track the number of individuals with enhanced access to one of the following:</p> <p><b>A – Digital skills</b> – We measure the number of individuals who have accessed one of Barclays’ digital skills products, designed to empower those who are digitally excluded and ensure they are not excluded from financial services in an economy that is gradually moving toward digital and mobile banking.</p> <p>Products can be delivered by Barclays directly or through partners and digital platforms.</p>	<p>Data is extracted from key internal systems, automatically derived from digital platforms or provided by external partners (for example in the case of Tea &amp; Teach events).</p> <p>In each case the data is reviewed and signed off internally within the responsible business unit, before it is reviewed again centrally and aggregated into an overall figure.</p> <p>Where applicable, duplications (e.g. use of multiple products or services by the same individual) within each product or service category are eliminated from the data sets. Duplications are</p>

Theme	Metric	Definition	Reporting and controls process
		<p><b>B – Financial literacy and health</b> – We measure the number of individuals whom we have helped to access tools, products or programs to improve their understanding, capability and confidence to use financial products and services in a way which contributes to personal financial health and resilience, increases financial literacy and enhances access.</p> <p>Products can be delivered by Barclays directly or through partners and digital platforms.</p> <p><b>C – Financial inclusion</b> – We measure the number of customers for whom we are helping to remove physical and technical barriers to access our services (e.g. low or no credit scores), in particular disadvantaged, disabled and vulnerable groups.</p>	<p>currently still possible across the entire KPI. For example, a customer with a card product targeted at improving financial inclusion could also attend a digital skills workshop. We are looking at ways to improve reporting going forward.</p>
<p><b>ACCESS TO EMPLOYMENT</b></p> <p>This addresses a major global challenge, while also building long-term demand for banking services</p>	<p>Number of people up-skilled to help achieve their ambitions</p>	<p>We measure the number of people who access Barclays’ help to develop the vital skills they need to obtain employment, as well as the number of entrepreneurs supported to scale their businesses.</p> <p><b>Supply – Upskilling and vocational training:</b> This includes regional employability programmes and other business-led employability initiatives.</p> <p><b>Demand – Entrepreneurship:</b> This includes employment accelerator programmes (through our partnership with <i>Unreasonable</i>).</p>	<p>In H1 2018, the data was reported via Salesforce, a customised Employability reporting tool. In the second half, the reporting system was transitioned into the Partner Management Tool hosted by Greenstone to simplify the reporting process for our partners.</p> <p>In both Salesforce and Greenstone, 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>Further details on how we report on the number of individuals supported with LifeSkills can be found at <a href="http://www.barclayslifeskills.com/reporting">http://www.barclayslifeskills.com/reporting</a> and in appendix 1 of this document.</p>

Theme	Metric	Definition	Reporting and controls process
<b>THE WAY WE DO BUSINESS</b>	'Barclays Way' Code (% employees attested)	<p>This KPI reports on the percentage of employees who have completed and passed the 'Barclays Way' (Code of Conduct) training via the Barclays Learning Management System globally.</p> <p>The module is assigned to all operational colleagues for completion. We exclude Managed Services employees from Barclays PLC reporting. Non-operational colleagues include those on long term leave, and are not assigned the training until their return.</p>	<p>The data is gathered via the Barclays Learning Management System. The learning module enables employees to attest that they have read and demonstrate that they understood the full Barclays Way.</p> <p>The completion data is reviewed by business units and the Board Reputation Committee.</p>
	Global carbon emissions (tonnes CO2e)	<p>The methodology used to calculate our CO2e emissions is the Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (revised edition), defined by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD). 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 calculations. Where Barclays are responsible for the utility costs, these emissions are included. Our reporting boundary is as follows:</p> <ul style="list-style-type: none"> <li>• Scope 1: direct combustion of fuels (globally, and company-owned vehicles UK).</li> <li>• Scope 2: purchased electricity and steam for own use (globally)</li> </ul>	<p>Data collection and reporting is managed by the Corporate Real Estate Solutions (CRES) Environmental Team. Carbon performance is gathered using the internal management reporting process run by the CRES Environmental Team.</p>

Theme	Metric	Definition	Reporting and controls process
		<ul style="list-style-type: none"> <li>Scope 3: Indirect emissions from business travel (global air travel, UK private cars, rail, taxis and UK, India and US car hire)</li> </ul>	
	% suppliers paid on time (45 days, by value)	Barclays measure prompt payment by calculating the percentage of third party supplier spend paid within a specified time following invoice date, or receipt date if the invoice is already over 45 days from invoice date (by value over a three month rolling period) for all entities where invoices are managed centrally.	Payment performance data is sourced from the Group SAP system and is reviewed centrally before being reported internally each month.