

Barclays Group Statement on Modern Slavery

February 2020



Introduction

As one of the world's largest financial services institutions, we understand that we need to lead by example in the way we do business. All our colleagues at Barclays are unified by a common purpose and set of values which shapes the way we think, work and act to ensure we are helping people to achieve their ambitions - in the right way. This also means we aim to act fairly, ethically and openly in everything we do.

We are committed to combating the risk of modern slavery and human trafficking in our supply chain or in any part of our business. The requirements of the Modern Slavery Act 2015 (the Modern Slavery Act) reflect a drive to eradicate modern slavery in commercial organisations with operations in the United Kingdom. This is an important goal which has the full and unequivocal support of Barclays. Organisations operating in the financial services sector must not be complacent about the risk that modern slavery could exist in a part of their supply chain or business.

This statement¹ covers our direct operations and supply chains. It also looks at the steps we are taking to combat the risk of modern slavery and human trafficking within our client and customer base. You can access information on our broader approach to environmental and social risk management, human rights and anti-money laundering in our [Group Statement on Human Rights](#), [Statement of Anti-Money Laundering \(AML\) and Counter-Terrorist Financing \(CTF\) Policies and Principles](#), our [Environmental, Social, Governance Report 2018](#) and our Environmental, Social Governance Report 2019, which is due to be published later this year.

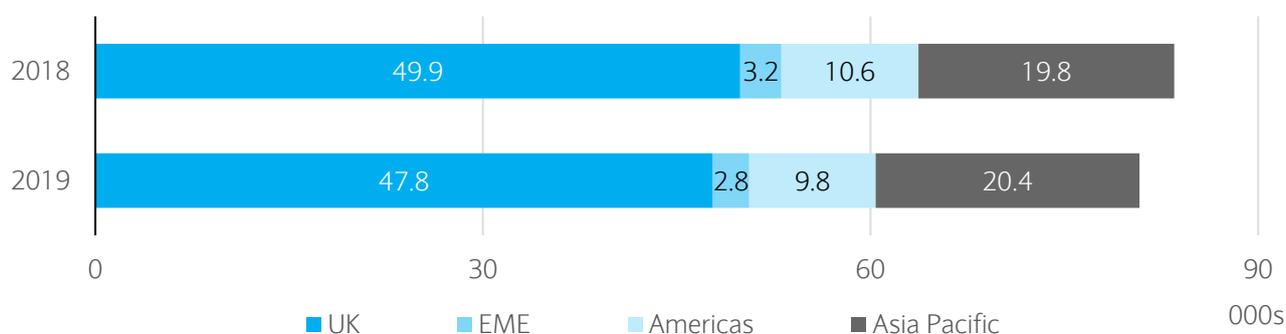
Our business

Barclays is a British universal bank. We are diversified by business, by different types of customer and client, and by geography. Our businesses include substantial consumer banking and payments operations around the world, as well as a top-tier, full service, global corporate and investment bank. Our ultimate parent company, Barclays PLC, is incorporated in England and it has subsidiaries in various jurisdictions. Details of our subsidiaries and the countries in which they are incorporated, as well as our businesses, are set out in our 2019 Annual Report. A list of the subsidiary companies of Barclays Plc that are required to have a modern slavery statement are provided at the end of this Statement.

As of 31st December 2019, we have 80,800 permanent employees operating across over 30 countries around the world, primarily in the UK, the U.S. and the Asia Pacific region.

Barclays is committed to paying the Living Wage. We have been an accredited UK Living Wage employer since 2013, ensuring all UK employees and those who provide services at our sites are paid at least the current National Living Wage and the London Living Wage, as set by the Living Wage Foundation.

Permanent employees by region



¹ This statement has been approved by the Barclays PLC board of directors and is prepared in accordance with the requirements of section 54 of the Modern Slavery Act 2015 for the financial year ending 31 December 2019. This statement applies to all companies within the Barclays group that are required to have a modern slavery statement.

Our policies on modern slavery and human trafficking

As a responsible corporate citizen we are committed to operating in accordance with the International Bill of Human Rights (comprising the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights). We also take into account the UN Guiding Principles on Business and Human Rights and other internationally accepted human rights standards including the OECD Guidelines for Multinational Enterprises and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and other Core Conventions.

We embed our commitment into relevant policies and statements, which are instrumental in managing our approach to modern slavery risk and which have been amended to take account of the Modern Slavery Act, including:

- Our Code of Conduct "[The Barclays Way](#)", which defines the behaviors, standards and actions required from all employees. The Code reiterates Barclays commitment to operating in accordance to the Universal Declaration of Human Rights.
- Our [Group Statement on Human Rights](#), which outlines our commitment to respecting human rights across our business operations, supply chain activities, interactions with local communities, and provision of products and services to clients and customers.
- Our general employment policies and practices, which cover Barclays' duties as an employer. We aim to ensure they are consistent with, or go further than, the Universal Declaration of Human Rights.
- Our [Statement of Anti-Money Laundering \(AML\) and Counter-Terrorist Financing \(CTF\) Policies and Principles](#) is designed to help us comply with the relevant requirements and obligations set out in UK legislation, regulations, rules and industry guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk of Barclays being used to facilitate financial crime. These policies are relevant because modern slavery offences are often linked to money laundering and other financial crimes.
- Our [Supplier Code of Conduct](#), which outlines the standards that we expect our suppliers to adhere to, including on human rights and modern slavery-related issues.

In order to maintain high standards of integrity at Barclays, we encourage the principle of openness and speaking up to report instances where Barclays' Values are not being respected. We have robust whistleblowing procedures in place, through which stakeholders are free to raise concerns about the behaviour or conduct of Barclays' employees. Employees can do so via our "Raising Concerns" channel and suppliers and sub-contractors through a service called EthicsPoint. Both channels can be used in confidence and anonymously.

Governance

Recognising the importance of our culture, reputation and the environment to all our stakeholders, the Barclays PLC Board took over responsibility for these matters from the former Board Reputation Committee during 2019. This decision ensures that the Board has direct responsibility for the oversight of the most important matters, including social and human rights matters.

Barclays also established a new management committee in 2019, the Environmental and Social Impact Committee (ESI), which is a Subcommittee of the Group Executive Committee. The ESI is chaired by Barclays Group Chief Executive and is convened to provide senior oversight and set the overall direction of Barclays' strategy to manage its broader social and environmental impacts, including on issues such as human rights and modern slavery.

At an operational-level, we established a cross-functional modern slavery working group in 2016 to effectively coordinate our anti-modern slavery activities and reporting, as well as share knowledge on the topic. The working group includes stakeholders from across the business, including representatives from our legal, financial crime, procurement, reputation risk and sustainability functions.

Engagement and training on modern slavery

External Engagement

We engage in dialogue with a range of stakeholders, including government, law enforcement agencies, non-governmental organisations, and other banks to share our expertise and better understand the role we can play in combatting modern slavery.

During 2019 we:

- Continued to participate in the UK Home Office's Business Against Slavery (BAS) Forum, a partnership between UK Government and businesses aimed at accelerating progress toward eradicating modern slavery. During the course of the year we participated in the consultation on proposed changes to the UK Modern Slavery Act and development of a conference for BAS members to impart best practice to smaller business in addressing supply chain vulnerabilities.
- Contributed to the development of the Liechtenstein Initiative for a Financial Sector Commission on Modern Slavery and Human Trafficking's [Blueprint for Mobilizing Finance Against Slavery and Trafficking](#). The Blueprint provides a collective action framework for the financial sector to accelerate action to end modern slavery and human trafficking.
- Continued our partnership with the Joint Money Laundering Intelligence Taskforce (JMLIT) and its work around identifying crimes associated with modern slavery and human trafficking. The JMLIT assists both banks and law enforcement

in filling intelligence gaps where suspected money laundering crosses multiple financial institutions.

- Supported Stop the Traffik and other NGO partners in establishing a cloud-based data hub that is able to rapidly analyse incidents of human trafficking across the world. The Hub brings together international law enforcement agencies, NGOs and financial institutions to share information on modern slavery typologies and financial indicators, which will be analysed through a data sharing hub using innovative artificial intelligence technology.
- Contributed to the development of the Global Reporting Initiative and Responsible Labor Initiative's [Modern Slavery Reporting Toolkit](#). The resource provides guidance for organisations of all sizes in developing effective reporting on their efforts to tackle modern slavery across their value chain.
- Continued to participate in groups focused on respecting human rights in the financial sector. For example, we participated in the Advisory Group for the development of the OECD paper on [Due Diligence for Responsible Corporate Lending and Securities Underwriting](#), which provides a common global framework for financial institutions to manage the environmental and social risks associated with their clients. We also continued to participate in the 'Thun Group', an informal group of banks working to further understanding on how the UN Guiding Principles on Business and Human Rights can be applied to the banking sector.

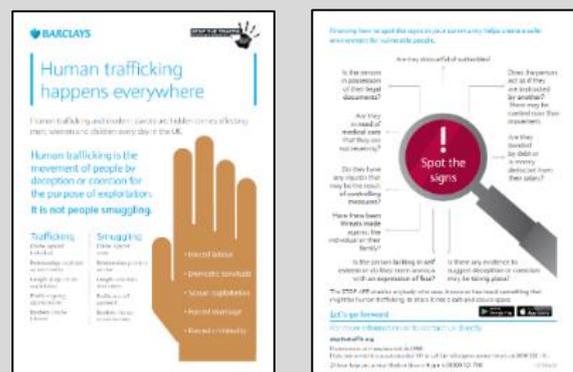
Leveraging our retail branch network to increase awareness on modern slavery

As community bankers, local Barclays colleagues are well placed to spot signs that customers may be being exploited by traffickers and other criminals involved in modern slavery. Our extensive branch network also provides us with the opportunity to raise awareness amongst the communities in which we operate and provide a mechanism for victims and other people to report any suspicious activities.

We therefore provide tailored modern slavery training to all UK staff in prime position roles in the retail bank who may have touch points with traffickers and their victims, focusing in particular on known UK 'risk hotspot areas' such as locations in Cambridgeshire and the West Midlands.

For each location, the training is typically split into two parts. The first involves colleague training by the Barclays Intelligence Development and Investigations team, representatives of the

respective local police force and local charity partners to raise awareness on this issue and how to identify potential signs. The second part consists of community days which involve Barclays branch colleagues engaging in outreach activities with customers and businesses in the local community, and are supported by charities in specific locations.



Training and awareness raising

Barclays is committed to providing training for its employees on the issues of modern slavery and human trafficking. Modern slavery content is included in our mandatory financial crime e-learning modules, which all Barclays staff are required to complete on an annual basis. All Procurement and Events & Hospitality staff globally must complete a dedicated modern slavery e-learning module, which focuses on how employees can identify and mitigate modern slavery and human trafficking risks in our operations and supply chain. We also host tailored face to face events and webinars throughout the year for staff across Barclays businesses and functions who wish to further their knowledge on this subject.

During 2019, we:

- Held 101 modern slavery-related awareness raising events across 95 locations and three countries, working with government, law enforcement and NGO partners. This included:
 - Launching three branch campaigns with the UK Cabinet Office, targeting human trafficking hotspots identified by the Cabinet Office in Birmingham, Peterborough and Leeds.
 - Hosted additional branch campaigns with Stop the Traffik in Boston, Lincolnshire and Birmingham.
 - Hosted interactive events on our campuses in New York, London and Glasgow.
- Established a new webinar training programme delivered by financial crime specialists for UK front line branch colleagues to further highlight modern slavery issues and their connection with “county lines” criminal activity.
- Translated our “Spot the Signs” customer facing flyers into additional languages. As a result, the flyers are now available in our branches in seven languages and are used to raise awareness in the communities and target potential victims who may not have English language skills.

During 2020, we aim to:

- Promote our dedicated modern slavery e-learning module to colleagues in additional areas of the business where modern slavery risks may be present, such as facilities management.
- Work in partnership with other banks, the NGO sector and law enforcement to pilot a cloud-based human trafficking data hub.

Survivor Inclusion Initiative - working to improve access to banking services for survivors of human trafficking and modern slavery

Survivors of modern slavery often have no access to banking services in their destination country, or have had their bank account hijacked by their controller. As a result, these individuals are often unable to produce the everyday documents needed to pass banks’ Know Your Customer (KYC) standards, and therefore may not be able to access conventional banking products or services.

To help address this issue, Barclays is participating in the Finance Against Slavery and Trafficking (FAST) Project, an initiative led by the United Nations that will improve financial access for survivors of modern slavery and human trafficking around the world. Through the initiative, participant banks are working to develop a consistent approach to the opening of bank accounts for survivors in a selection of jurisdictions around the world including the UK, USA, Netherlands, Australia & Canada.

Following its launch in September 2019, survivors of human trafficking and modern slavery are able to come into Barclays branches to open accounts, just like everyday customers. Barclays works with survivors to carefully understand what documents they are able to provide, and open new accounts by using a dispensation process that accepts these documents as required based on their particular situation. In the UK, we are working with charity partners such as the Salvation Army and Hope for Justice who are able to provide further support to victims on the process and help obtain the necessary documentation in order to access these vital financial services. We opened our first account for a confirmed survivor of human trafficking in October 2019.



Our supply chain

With nearly 11,000 companies from more than 26 countries supplying us across a broad range of products and services, our supply chain helps us deliver services to all our customers, clients and colleagues. It is diverse, including start-ups, small and medium-sized businesses, businesses owned, controlled and operated by under-represented segments of society, as well as multinational corporations. Many of our direct suppliers have their own extensive supply chains, connecting us with thousands more businesses worldwide.

It is important that our suppliers share our commitment to human rights. With regards to modern slavery, our primary focus is on suppliers operating in recognised higher risk sectors, such as manufacture of corporate uniforms, IT hardware and provision of sub-contracted workforce. Additionally, we are focusing on suppliers based in higher risk locations, particularly emerging economies and less developed countries.

Supplier risk assessment and due diligence

We have a robust process that aims to ensure we only work with appropriate suppliers who can meet the standards that we expect. We generally require suppliers to operate in accordance with our [Supplier Code of Conduct](#). This outlines how we manage human rights in our supply chain by encouraging behaviours and practices consistent with our own policies and is owned by Barclays Chief Procurement Officer.

Our Supplier Code of Conduct makes specific reference to the International Labour Organisation Core Conventions and the UK Modern Slavery Act. Of particular relevance is the requirement for suppliers to support freely chosen employment: *work that is completed voluntarily and without slavery, servitude, forced or compulsory labour and human trafficking*. These obligations generally apply to supplier relationships regardless of the industry or geography in which they operate and our usual practice is to notify potential suppliers about this as part of our requirements before they submit a commercial bid.

Before entering into a relationship with a key supplier, Barclays will conduct appropriate due diligence. This may include, but is not limited to,

reviewing copies of employment and health and safety policies and undertaking due diligence with the aim of establishing that the supplier does not have any association with modern slavery and that they have not been engaged in any activity with an adverse human rights impact.

If we do enter into a contract with a supplier, we apply our standard terms and conditions, which require suppliers to adhere to all applicable laws, including the conventions of the International Labour Organisation and the International Bill of Human Rights. Barclays generally requires that medium and high risk suppliers (as they are material suppliers to Barclays) must conduct an annual self-certification against our Supplier Code of Conduct. High risk suppliers within this group are also subject to on-site review every three years where a specialist team review evidence that the supplier is meeting the requirements laid out in our supplier code of conduct.

During 2019 we:

- Updated our [Supplier Code of Conduct](#) to further address supplier practices that may contribute to conditions of modern slavery. This includes enhanced provisions for suppliers around termination of employment, working hours and overtime, establishment of effective grievance mechanisms, and downstream supplier monitoring and due diligence.
- Developed a supplier modern slavery risk assessment tool and applied this to our Tier 1 supplier population to refresh our prioritisation of suppliers based on modern slavery risk. The tool considers both sector and country risk, based on data from external sources such as the Global Slavery Index and Maplecroft.
- Developed a detailed Supplier Labour Rights Questionnaire, covering topics such as suppliers' labour rights policy framework, workforce & supply chain profile, and due diligence process for downstream suppliers. During the year we piloted the questionnaire with over 30 suppliers across a range of sectors and geographies in order to better understand the level of risk associated with these organisations and their risk management approach.

During 2020, we aim to:

- Embed the supplier modern slavery risk assessment into our existing supplier due diligence process.

Our customers and clients

Barclays moves, lends, invests and protects money for our customers and clients on a worldwide scale with a strong presence in the UK and the US. We recognise that a significant area of risk from a modern slavery perspective can arise from the activities of our retail customers and Corporate & Investment Banking clients, and we are working to integrate human rights and modern slavery considerations into our relevant policies, due diligence processes and engagement efforts, focusing on the sectors and activities that we identify as presenting a higher level of risk.

Retail customer due diligence

Criminals involved in modern slavery may use the products and services that banks provide to facilitate their criminal activities, for example booking flights to fly victims into the UK, as well as launder the proceeds of these activities. To combat this, Barclays Intelligence Development and Investigations team applies a financial intelligence led, pro-active approach to retail bank customer due diligence in the UK, collaborating with law enforcement agencies and other organisations to develop specific account and behavioural typologies for financial activities that may be linked to modern slavery and human trafficking.

Through this work, Barclays monitors suspicious behaviours and account activities and as a result is able to identify relationships where behaviours and account activities indicate possible connections to sexual and labour exploitation. We have an escalation policy in relation to these accounts, whereby suspicious activity reports are raised and details are passed on to law enforcement agencies. This work alerts these partners to suspected victims and perpetrators of modern slavery offences, and enhances our understanding of emerging trends and indicators to assist us with typology development.

During 2019, we:

- Continued to proactively identify customers who were either laundering the proceeds of modern slavery and human trafficking or used their accounts to facilitate these crimes. Our focus is primarily on those concerned in sexual exploitation, labour exploitation and those gangs involved in opening bank accounts for victims and taking control of their bank accounts.
- Continued to report identified customer accounts that we suspect are used to either launder the proceeds of or facilitate modern slavery & human trafficking and passed details onto local law enforcement.

Supporting law enforcement agencies with criminal investigations

A woman was trafficked into the UK under the false pretence of a 'better' life and was being held against her will to ultimately be trafficked into the sex trade. She managed to send a message home to her family in Eastern Europe by telephone and her family then contacted local police in their country, who in turn contacted the UK police.

Urgent liaison took place between the police and Barclays, whereupon it was confirmed that she was a Barclays account holder. Further investigation then took place between the police in the UK and Barclays, and through the use of financial intelligence provided by Barclays they were able to locate her whereabouts and initiate a rescue just before she was due to be moved to a new, unknown location by the traffickers where it is thought she would have been subjected to sexual violence.



Corporate & Investment Banking client due diligence

Barclays has a strong and long-standing commitment to managing the environmental and social risks associated with its lending and financing activities. We recognise that the bank's potential adverse human rights impacts are frequently indirect, arising from the provision of financial services to business customers operating in sensitive sectors. We believe that appropriate risk management of these impacts is not only the right thing to do, but ensures the longevity of our business and our ability to serve our clients.

Human rights risks such as modern slavery are governed and managed as part of Barclays' Reputation Risk Management Framework and processes. This includes the client transaction review process, which is managed by our Group Sustainability and Reputation Risk teams. Our management of these risks is based on a combination of statements, standards and guidance. This enables us to adopt a robust approach, while maintaining the flexibility to consider potential clients and transactions on their respective merits.

We have general client due diligence processes in place to help combat the risk of clients being associated with modern slavery and human trafficking. Our KYC, Credit and Financial Crime teams review both new and existing clients by monitoring relationships for areas of risk or concern and by conducting media screenings for any adverse reports.

Our policy is to escalate any cases which give us cause for concern from a human rights or modern slavery perspective, leading to further investigation by our Group Sustainability or Financial Crime teams depending on the nature of the concern. For more detailed information on our approach to managing human rights and other social or environmental risks associated with clients, please see our [ESG Report](#).

During 2019, we:

- Conducted due diligence reviews of 292 client transactions for environmental and social risks², undertaken by our Group Sustainability team.
- Published our Forestry & Palm Oil Statement, which includes specific provisions relating to forced labour, in recognition of the elevated risks associated this sector.

During 2020, we aim to:

- Undertake a targeted review of modern slavery risks for corporate clients in one high risk sector; assessing the risks that clients are linked to modern slavery-related practices, and the maturity of their management approach in addressing these risks. We will select the industry sector to be reviewed following a sector prioritisation exercise based on modern slavery risks.
- Continue to develop our prevention strategy to enhance detection of key modern slavery risk indicators by front line branch staff.
- Collaborate further with expert stakeholders to enhance our capability to detect, disrupt and prevent modern slavery in our retail bank.

² **Note:** This figure covers Group Sustainability team transaction reviews for both environmental and social risks, and does not cover reviews of modern slavery-related risks only.

Metrics

We recognise that modern slavery is a hidden risk, and that evaluating our approach and progress is complex. We currently track the following selection of metrics in order to better understand the effectiveness of our approach and seek to evolve and enhance our monitoring over time.

Area	Indicator	2019
Colleague training	% of assigned sourcing colleagues completing modern slavery training ³	99.3%
Supplier due diligence	# of suppliers engaged in modern slavery due diligence pilot exercise ⁴	33
Client due diligence	# of client transactions reviewed for environmental and social risks by Barclays Group Sustainability team ⁵	292

Statement review

This statement is made according to the requirements of section 54 of the Modern Slavery Act 2015 for the financial year ending 31 December 2019. The statement has been approved by the Board of Barclays PLC on 13 February 2020 and has been signed on its behalf by the Barclays Group CEO and Chairman.



James E. Staley, Group Chief Executive
Barclays PLC



Nigel Higgins, Chairman
Barclays PLC

13 February 2020

³ **Note:** Metric based on the percentage of assigned sourcing colleagues completing the 2019 Modern Slavery Training Module before 04/01/2020. Data is derived from Barclays internal Learning Services portal.

⁴ **Note:** Metric based on number of suppliers engaged via pilot Supplier Labour Rights questionnaire. We expect our supplier metrics to evolve over time as we complete the pilot due diligence exercise and embed our modern slavery risk assessment into our due diligence process.

⁵ **Note:** Metric covers Group Sustainability team transaction reviews for both environmental and social risks, and does not cover reviews of modern slavery-related risks only.

Appendix: Scope of Statement

This statement covers the following subsidiary companies of Barclays Plc that are required to have a modern slavery statement:

- Barclays Asset Management Limited
- Barclays Bank PLC
- Barclays Bank UK PLC
- Barclays Capital Securities Limited
- Barclays Group Operations Limited
- Barclays Insurance Services Company Limited
- Barclays Investment Solutions Limited
- Barclays Mercantile Business Finance Limited
- Barclays Services Limited
- Clydesdale Financial Services Limited
- Eagle Financial and Leasing Services (UK) Limited
- Hawkins Funding Limited
- Long Island Assets Limited
- Mercantile Leasing Company (No.132) Limited
- Relative Value Trading Limited
- RVT CLO Investments LLP