# Principles for Responsible Banking (PRB)

BARCLAYS

# Reporting and self-assessment

Barclays was one of 30 founding members of the Principles for Responsible Banking (PRB), launched by the United Nations Environment Programme Finance Initiative (UNEP FI) in September 2019. The PRB helps to align banks with society's goals as expressed in the Paris Climate Agreement and the United Nations Sustainable Development Goals (SDGs).

Our responses within the PRB reporting and self-assessment template have not been within the scope of assurance for 2021. Certain individual performance metrics referenced within this disclosure have been subject to Limited Assurance under ISAE (UK) 3000 and ISAE 3410 by KPMG. Please refer to the KPMG assurance opinion on our ESG resource hub.

| *Reporting and self-assessment requirements* | ***High-level summary of bank's response***<br>*(limited assurance required for responses to highlighted items)* | ***References***<br>*Links to bank's full response/ relevant information* |
|---|---|---|
| **Principle 1: Alignment**<br>**We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.** | | |
| 1.1 **Describe** (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services. | We are diversified by business, geography and income type. Our operations include consumer banking and payments services in the UK, US and Europe, as well as global corporate and investment bank.<br><br>Barclays operates as two divisions, Barclays UK and Barclays International, supported by our service company, Barclays Execution Services.<br><br>**Barclays UK**<br>Barclays UK (BUK) consists of our UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried out by our UK ring-fenced bank (Barclays Bank UK PLC) and certain other entities within the Group.<br><br>UK Personal Banking offers retail solutions to help customers with their day-to-day banking needs. UK Business Banking serves business clients, from high growth start-ups to small and medium enterprises (SMEs), with specialist advice for their business banking needs. Barclaycard Consumer UK is a leading credit card provider, offering flexible borrowing and payment solutions, while delivering a leading customer experience.<br><br>**Barclays International**<br>Barclays International (BI) consists of our Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within our non-ring-fenced bank (Barclays Bank PLC) and its subsidiaries, and certain other entities within the Group.<br><br>BI is focused on delivering for customers and clients around the world. It's diversified business portfolio provides balance, resilience and growth opportunities. The division has strong global market positions and continues to invest in people and technology with the aim of delivering sustainable returns. BI offers customers and clients a range of products and services spanning consumer and wholesale banking.<br><br>**Barclays Execution Services**<br>Barclays Execution Services (BX) is the Group-wide service company providing technology, operations and functional services to businesses across the Group. | Barclays PLC Annual Report suite<br><br>Barclays PLC Annual Report 2021<br>▪ 'Growing with customers and clients' on pages 22-28<br><br>Barclays PLC Pillar 3 Report 2021<br>▪ 'Risk and capital position review' on pages 84-91<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br>▪ 'Metrics and targets' on pages 42-52<br><br>Barclays PLC Country Snapshot 2021<br>▪ 'Country by country data' on pages 20-25<br><br>Barclays Investor Relations<br>▪ FY 2021 Results Presentation |

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| | The 'Growing with customers and clients' section of the Barclays PLC Annual Report 2021 provides an overview of each business, including a breakdown of income, operating expenses and profit before tax for Barclays UK, Barclays International: Corporate and Investment Bank and Barclays International: Consumer, Cards and Payments. A breakdown of income by geography can be found in the appendix of the FY 2021 Results Presentation on our Investor Relations website. The Barclays PLC Country Snapshot 2021 provides a breakdown turnover and profit by country.<br><br>The 'Metrics and targets' section of the Barclays PLC Climate-related Financial Disclosures 2021 provides a breakdown of credit risk by elevated risk sectors, in relation to climate change. We have additionally provided exposure to carbon-related assets and an overview of the total capital raised for clients across all sectors.<br><br>The Barclays PLC Pillar 3 Report 2021 provides a breakdown of credit exposure across different classes and credit exposures by industry and counter party. | |
| 1.2 **Describe** how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks. | **How our sustainable financing supports the Sustainable Development Goals**<br>Barclays recognises the Sustainable Development Goals (SDGs) as a set of shared global priorities adopted by all United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs consist of 17 interconnected Goals, which are underpinned by 169 targets. These span positive human, societal and environmental factors, and are sought to be reached through multilateral collaboration. We believe it is important for business, governments, society and other stakeholders to work together to successfully achieve the 2030 Agenda. Barclays is pleased to play its part, work in partnership with our stakeholders to support the delivery of the SDGs.<br><br>Since 2019, we have tracked and reported our annual contribution to the SDGs, through our financing activities. An illustrative breakdown of our social and environmental financing is provided below. Our financing covers supranational and regional development agencies, as well as businesses making positive social and environmental contributions. It generates positive social and environmental impact through financing of healthcare systems, universities, social housing, green infrastructure projects, sustainable food and agriculture, sustainable water and renewable energy. Financing of these activities in turn supports progress towards achieving the SDGs.<br><br>For a full list of eligible social and environmental activities see the Barclays Sustainable Finance Framework (Framework), which sets out our methodology for tracking progress against our sustainable finance commitments. The Framework shows how eligible social and environmental activities contribute to individual SDGs, supported through an analysis of underlying SDG targets. As we evolve our understanding of how our financing contributes to the SDGs, we will refine our methodology accordingly. | Barclays PLC Annual Report 2021<br>▪ 'Our approach to ESG disclosures' on page 52<br>▪ 'Environment' on pages 53-60<br>▪ 'Reducing our financed emissions' on pages 57-58<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br>▪ 'Introduction' on pages 2-5<br>▪ 'Strategy' on pages 10-21<br>▪ 'Risk management' on pages 30-41<br><br>Barclays ESG resource hub<br>▪ Our approach to sustainable finance<br>▪ Barclays' Sustainable Finance Framework |

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| | **Just Transition**<br>Barclays recognises the need to sustain and support livelihoods and communities in the UK and around the world as we support our clients to transition to a low-carbon economy. A Just Transition is essential for achieving the goals of the Paris Agreement.<br><br>In 2021, Barclays joined over 40 financial institutions and stakeholders to form the Financing a Just Transition Alliance (FJTA), coordinated by the Grantham Research Institute on Climate Change and Environment at the London School of Economics (LSE). The Alliance aims to translate the concept of a Just Transition into tangible steps and outcomes. In 2021, Barclays contributed to the report, 'Just Zero: 2021 Report of the UK Financing a Just Transition Alliance', which sets out requirements for a Just Transition in the UK, while highlighting potential applications in an international context.<br><br>**Our approach to ESG**<br>Our approach to environmental and social issues is becoming increasingly integrated in the work we do across our business and is supported by the governance and oversight of our management and Board structures. Our approach is informed by our engagement with our stakeholders, including with customers and clients, colleagues, investors, regulators and the wider society.<br><br>Enhancing accessibility and safety for our customers<br>We want as many people as possible to benefit from access to financial services. We continue to see growing demand from many of our customers for more digital ways to bank. Our investment in technology means millions more customers, who have access to digital tools are able to use our online and mobile banking channels to take advantage of accessible features.<br><br>We aim to ensure that our digital services are easy to see, hear, understand and use for all customers, including those with disabilities. AbilityNet (a leading UK disability charity) has independently accredited for accessibility the key journeys of our online banking website and mobile app during 2021.<br><br>We are working to ensure that customers who rely on cash – including older and more vulnerable customers can still access it and get the support they need. Access to a transactional bank account enables consumers to benefit from bill reductions paid by direct debit and access to cheaper goods and services online. There were more than 642,000 Barclays basic current accounts open at the end of 2021, serving the financial needs of those who would not otherwise qualify for an account. We also provide free banking to over 115,000 small, not-for-profit organisations through our community accounts. | |

# Principles for Responsible Banking continued

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| | **Our climate strategy**<br>Addressing climate change is an urgent and complex challenge. It requires a fundamental transformation of the global economy, so that society stops adding to the total amount of greenhouse gases in the atmosphere.<br><br>The financial sector has a critical role to play in supporting the economy to reach this goal. It is estimated that at least $3-5 trillion* of additional investment will be needed each year, for the next 30 years, in order to finance the transition.<br><br>At Barclays, we are determined to play our part.<br><br>In March 2020, we announced our ambition to be a net zero bank by 2050, becoming one of the first banks to do so.<br><br>1. **Achieving net zero operations**: Barclays is working to achieve net zero operations and supply chain emissions, investing in the continued decarbonisation of our operations and in the development of a net zero pathway for emissions from our supply chain.<br>2. **Reducing our financed emissions**: Barclays is committed to aligning its financing with the goals and timelines of the Paris Agreement.<br>3. **Financing the transition:** Barclays is providing the green and sustainable finance required to transform the economies we serve.<br><br>Our strategy is underpinned by the way we assess and manage our exposure to climate-related risk. Climate Risk is a Principal Risk under Barclays' Enterprise Risk Management Framework. The elevation of climate risk to Principal Risk recognises that it is relevant and material enough to merit establishing a specific bank-wide Framework, in line with other Principal Risks. The Barclays PLC Climate-related Financial Disclosures 2021 reports on our approach to strategy, governance, and risk management and the metrics and targets we employ.<br><br>**Say on Climate**<br>In line with our commitment to offer shareholders a 'Say on Climate', we will be publishing an update on our climate strategy, targets and methodology in advance of the 2022 Annual General Meeting. This will include 2030 targets for two new sectors, Cement and Metals (Steel).<br><br>*$3-5 trillion as estimated in the GFMA/BCG (Global Financial Markets Association/Boston Consulting Group) Climate Finance Markets and the Real Economy report, December 2020. | |

# **Principles for Responsible Banking** continued

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## Principle 2: Impact and Target Setting

**We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.**

### Reporting and self-assessment requirements

2.1 Impact Analysis

**Show** that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

a) **Scope:** The bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

b) **Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.

c) **Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.

d) **Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has:

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts/ reduction of negative impacts.

### High-level summary of bank's response

In 2020, we conducted a pilot impact analysis using the UNEP FI Portfolio Impact Analysis Tool for Banks, which covered our UK Investment Banking portfolio. Building on our pilot impact analysis, we continued to analyse significant potential positive and negative impacts of our business in 2021. For full details of our pilot impact analysis, see the Barclays PLC ESG Report 2020.

In 2021, we worked with UNEP FI, our peers and other external stakeholders to enhance the tools and methodologies available to better understand our impacts on society and the environment. We are looking to expand our impact analysis beyond our UK Investment Banking portfolio to cover other business lines and geographies using an updated version of the UNEP FI Impact Analysis Tool for Banks going forward. We will publish the findings from our updated impact analysis in next year's PRB disclosure.

In addition to our impact analysis, we seek to understand and address the material ESG issues for our stakeholders, including our customers and clients, our colleagues, society and investors, by performing an annual materiality assessment*.

Our materiality process includes three phases:

1. **Research:** We start by gathering data and information from a broad range of sources including customer and client questionnaires, NGO reports, investor research papers, ESG ratings agencies, relevant banking industry frameworks, colleague engagement surveys and market research. This research allows us to define which topics might be material to our business and develop a proxy ranking across external stakeholders.
2. **Engage:** We then engage internal stakeholders from across the business to provide a real world view of external stakeholder priorities and to gauge the importance of topics across all of our lines of business.
3. **Prioritise:** We then take these inputs and score them against a range of criteria. This data is then input into an external software provider to help produce our materiality matrix, which can be found in the GRI Content Index on the Barclays ESG resource hub.

We assess the strategic relevance of ESG factors based on two criteria: their relative importance to external stakeholders, (as defined in the 'Engaging our stakeholders' section of the Barclays PLC Annual Report 2021) and their influence on our business success. This helps us to prioritise and govern our activity, ensuring that we are closely aligned with our stakeholders' expectations. We have also looked at how the COVID-19 pandemic has impacted our business and used this as a factor across multiple material topics.

Based on the nature of our business, we are focusing our analysis on the following focus areas:

- social and environmental impacts of financing including climate change, biodiversity and human rights
- the accessibility and transparency of our financial products.

*Our definition of materiality for use in sustainability and ESG reporting differs from the definition of materiality used in financial reporting. This materiality analysis does not relate to the process used for determining which information should be included in our financial reporting. Rather, it takes account of a broader range of matters relevant to climate and ESG disclosures including the published views of non-governmental organisations and non-financial ESG frameworks and reporting guidelines.

### References


Barclays PLC Annual Report 2021

- 'Engaging with our stakeholders' on pages 14-15
- 'Reducing our financed emissions' on pages 57-58
- 'Our approach to nature and biodiversity' on page 59-60
- 'Accessible retail products and services' on pages 65-67
- 'Managing impacts in lending and financing' on pages 76-78

Barclays PLC Climate-related Financial Disclosures 2021

- 'Strategy' on pages 10-21
- 'Risk management' on pages 30-41

Barclays PLC ESG Report 2020

- 'Principles for Responsible Banking reporting' on pages 78-86

Barclays ESG resource hub

- GRI Content Index
- Barclays' Group Statement on Human Rights
- Barclays' Group Statement on Modern Slavery

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| | **Understanding and addressing potential negative impact areas**<br>Climate-related risks and opportunities identified over the short, medium, and long term<br>We see the climate-related risks and opportunities for Barclays as falling into one of three categories.<br><br>The first category is the impacts on our physical environment due to global warming and changing climate patterns. These are likely to lead to increased extreme weather events, which in turn could lead to economic loss for our customers and clients, as well as for our company.<br><br>The second category stems from efforts by governments, institutions and businesses to accelerate the transition to a low-carbon economy, which may result in policy and regulatory intervention, new market incentives or shifts in demand and behaviour that could lead to financial impacts on our customers and clients, and on Barclays. This can of course also lead to opportunities to support clients in their shift to new technologies and business models. The size and severity of these impacts will be affected by the rate of transition the world's economies undergo in the coming years.<br><br>The third is from connected risks or so called second order risks. For example, these could be reduced household affordability or recessionary pressures from the rise in credit defaults as a result of transition or physical impacts.<br><br>Our approach to nature and biodiversity<br>Nature and biodiversity are intrinsically connected to efforts to mitigate and adapt to the effects of climate change and are vital to ensuring a sustainable economy and healthy society. The financial sector will have an important role to play in stewarding responsible finance and in supporting new financial flows for a nature-positive future. As a financial services institution, this includes understanding and evaluating the ways in which our financing activities impact on nature. It also includes the ways in which the organisation is dependent on nature and functioning ecosystems.<br><br>Barclays has relationships with customers and clients across a wide range of sectors and geographies, who face risks to their operations, supply chains and markets from biodiversity loss and land-use change. Recognising the importance of this agenda, we are developing our understanding and evaluating the Group's environmental impacts and dependencies as well as where we can support our clients through the transition to a nature-positive economy.<br><br>Collaboration both within and across industries is essential to this transition. Barclays is pleased to be a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. We also joined the Get Nature Positive Commitment alongside other businesses to identify opportunities to take nature-positive action. Recognising deep interlinkages across environmental and social themes, it is necessary to view our work on nature and biodiversity, which includes our approach to deforestation, in tandem with our work on climate change and human rights.<br><br>For more information, see the 'Our approach to nature and biodiversity', 'Reducing our financed emissions' and the 'Managing impacts in lending and financing' sections in the Barclays PLC Annual Report 2021. | |

# **Principles for Responsible Banking** continued

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| | Human rights<br>Barclays operates in accordance with the International Bill of Human Rights and takes account of other internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights (UNGPs). We respect and promote human rights in our own operations through our employment policies and practices and our supply chain through screening and engagement.<br><br>In 2021, we have initiated a strategic exercise to identify the salient human rights risks associated with our client financing portfolio. Over time, this will enable us to focus our client due diligence efforts and disclosures on the issues that pose the greatest risk to people. We intend to provide more information on this assessment and our plan for enhancing our approach to identification and management of salient human rights risks in future reports.<br><br>We are working to embed human rights considerations into our position statements and related due diligence approach for clients operating in sectors with elevated environmental and social impacts. For example, we include specific questions around respect for Indigenous Peoples' rights, health and safety and provision of security into our due diligence questionnaires for clients in energy subsectors such as fracking and oil sands which are covered under our Climate Change Statement.<br><br>In 2021, we established a tailored due diligence questionnaire for clients covered by our Forestry and Agricultural Commodities Statement. In recognition of the potential impacts that the production of commodities such as timber products or palm oil may have on Indigenous Peoples, through this questionnaire we will assess each client's approach to consulting with these groups. We will evaluate whether their approach is consistent with the principles of free, prior and informed consent (FPIC) in order to gain assurance that the client will respect the rights of Indigenous People potentially impacted by its operations.<br><br>Outside of our established sector statements we are working to proactively monitor for events and developments globally that may present new human rights risks and work to investigate our potential exposure to these. For example, this year we identified renewable energy supply chains and the surveillance technology sector as two areas that are increasingly linked with human rights risks such as forced labour. In response, we initiated a portfolio review of our exposure to companies involved in these sectors in a region with heightened exposure to these risks. We subsequently conducted due diligence on identified clients and are engaging with a selection of prioritised clients to further assess their risk management approach and evaluate whether they are taking appropriate steps to address these risks.<br><br>For more information, see the 'Managing impacts in lending and financing' section in the Barclays PLC Annual Report 2021 and Barclays' Group Statements on Human Rights and Modern Slavery on our ESG resource hub. | |

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| | Accessible retail products and services<br>We are determined to understand our customers' and clients' expectations and aspirations, and develop products and services that support them.<br><br>We aim to ensure that our digital services are easy to see, hear, understand and use for all customers, including those with disabilities. AbilityNet (a leading UK disability charity) has independently accredited for accessibility the key journeys of our online banking website and mobile app during 2021.We have strengthened accessibility requirements within our procurement processes, recognising the importance of partnering with suppliers and giving clear expectations. We seek to deliver digital services and workplace tools that promote disability inclusion and meet accessibility requirements set out in the Web Content Accessibility Guidelines (WCAG) 2.1 AA level.<br><br>Since 2015, we have been offering our basic current account, which meets HM Treasury's Memorandum of Understanding on basic bank accounts. There were over 642,000 Barclays basic current accounts open at the end of 2021. Our basic current accounts provide individuals who may not be eligible for a standard account access to banking including; over the counter services, access to ATMs, and digital banking and free text alerts to manage finances.<br><br>Access to a transactional bank account enables consumers to benefit from bill reductions through paying by Direct Debit and access to cheaper goods and services on the internet, which goes some way towards alleviating the poverty premium. If their circumstances change, customers on the basic current account are able to apply for a standard Barclays current account at any time.<br><br>We also provide free banking to over 115,000 small not-for-profit organisations through our community accounts.<br><br>For more information, see the 'Accessible retail products and services' section in the Barclays PLC Annual Report 2021. | |

**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.**
We continue to make progress in assessing our significant positive and negative impacts, ensuring this assessment covers all our core business activities. We reported the findings from our pilot impact analysis in 2020, which was conducted using the UNEP FI Impact Analysis Tool for Banks. In 2021, we worked with UNEP FI, our peers and other external stakeholders to enhance the tools and methodologies available to better understand our impacts on society and the environment. We are looking to expand our impact analysis beyond our UK Investment Banking portfolio to cover other business lines and geographies in future analysis.

In 2021, we continued our focus on understanding and seeking to address the environmental impacts of our financing, including both those related to climate change and biodiversity. In 2022, we intend to continue engaging with multi-stakeholder initiatives and peer networks, including on testing tools for biodiversity risk analysis.

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| 2.2 Target Setting<br><br>**Show** that the bank has set and published a minimum of two **S**pecific, **M**easurable (can be qualitative or quantitative), **A**chievable, **R**elevant and **T**ime-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.<br><br>**Show** that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.<br><br>**Show** that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets. | Barclays has set SMART targets in line with some of our significant impact areas to drive alignment with and contribution to the relevant SDGs and the goals of the Paris Agreement.<br><br>**Reducing our financed emissions**<br>In 2020, we set an ambition to be a net zero bank by 2050 and committed to align all of our financing to the goals and timelines of the Paris Agreement. In November 2020, we set the following targets:<br>▪ Energy portfolio: reduce absolute $CO_2$ emissions by 15% by 2025 against the 2020 baseline<br>▪ Power portfolio: reduce $CO_2$ intensity by 30% by 2025 against the 2020 baseline.<br><br>As a founding member of the Net-Zero Banking Alliance, we intend to use science-based decarbonisation scenarios to set targets for a number of high emitting sectors by April 2024.<br><br>In line with our commitment to offer shareholders a 'Say on Climate', we will be publishing an update on our climate strategy, targets and methodology in advance of the 2022 Annual General Meeting. This will include 2030 targets for two new sectors, Cement and Metals (Steel).<br><br>We believe that Barclays can make the greatest difference by supporting the transition to a low-carbon economy, rather than by simply phasing out support for some of the clients who are most engaged in it. We believe that banks, especially those like Barclays with a large capital markets business, are in a unique position to help accelerate the transition by working with companies that are in the process of moving away from fossil fuels to renewables, as many of our clients have already begun to do. This is particularly true in the energy sector, which is already changing rapidly and we are supporting our clients as they transition to less carbon intensive sources of energy, adopt new technologies and increase electrification. Barclays takes a considered approach to clients in sectors with higher carbon-related exposures or emissions from extraction or consumption; we do not think that simple divestment achieves the aim of supporting the transition of the economy and may not reduce emissions if it drives companies to alternative sources of finance with less transparency and accountability.<br><br>We are therefore continuing to work with clients in key sectors, to gain a more detailed understanding of the risks and challenges that the client is facing believing it is better to engage with clients in relation to transition, rather than simply walking away from financing for individual companies. We recognise there may be companies or particular activities that cannot transition over time, and in such cases we believe those clients will find it increasingly difficult to access financing, including through Barclays. However, we firmly believe that working with clients to facilitate their own transition to a low carbon economy is the best way to make meaningful change in the climate crisis.<br><br>Achieving our targets will largely depend on our clients' progress on their individual transition pathways. Many of our clients have published their own transition plans and report on their progress; other clients have not yet made their transition plans public. We assume that, over time, more clients will publish plans and also that many of our clients will be able to accelerate their plans beyond what is known today. In the short term, we may experience significant decreases or increases in our metrics, partly due to the volatility of the mix and volume of capital markets financing (included in our metrics) which is generally beyond our control and due to the pace of our clients' emission reductions. | Barclays PLC Annual Report 2021<br>▪ 'Reducing our financed emissions' on pages 57-58<br>▪ 'Social and environmental financing' on pages 68-72<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br>▪ 'Strategy' on pages 10-21<br>▪ 'Risk management' on pages 30-41 |

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| | **Sustainable finance**<br>Barclays has committed to facilitating:<br>▪ £150bn of social and environmental financing from 2018 to 2025 to support the SDGs<br>▪ £100bn of green financing* from 2018 to 2030 to support the transition to a low-carbon economy.<br>In addition, our Sustainable Impact Capital Programme, led by the Barclays Principal Investments team in Treasury has a mandate to invest up to £175m of equity capital in sustainability-focused start-ups by 2025, helping to accelerate our clients' transition towards a low-carbon economy. £54m of the £175m overall target has been deployed since 2020.<br>From the acceleration of innovative carbon-efficient technologies and supply chains to supporting the development of viable markets for carbon capture and sequestration, the Programme is seeking out and supporting clear, scalable propositions that deliver both environmental benefits and economic returns. Through the Programme, we aim to fill growth stage funding gaps to help accelerate and scale catalytic and strategic solutions to environmental challenges.<br>*Green financing is comprised of labelled, 'use of proceeds' and business mix financing in environmental categories and sustainability-linked financing that incorporates environmental performance targets. For more information, see the Barclays Sustainable Finance Framework. | |

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|---|---|---|
| **Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.** We have set targets for some of our significant impact areas, covering the social and environmental impacts of our financing. This includes our sector targets for Power and Energy as part of our net zero ambition and our sustainable finance commitments. In advance of our 2022 Annual General Meeting, we will publish an update on our climate strategy, targets and methodology, which will include 2030 targets for two new sectors, Cement and Metals (Steel). We also intend to use science-based decarbonisation scenarios to set targets for a number of other high emitting sectors by April 2024. | | |
| 2.3 Plans for Target Implementation and Monitoring<br><br>**Show** that your bank has defined actions and milestones to meet the set targets.<br><br>**Show** that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent. | We disclose our performance against our commitments in the Barclays PLC Annual Report 2021 and the Barclays PLC Climate-related Financial Disclosures 2021. Details of our methodology for calculating our metrics can be found on our ESG resource hub.<br><br>**Barclays' Sustainable Finance Framework**<br>Our sustainable financing is tracked using the methodology set out in the Barclays Sustainable Finance Framework. The Framework provides clear green and social eligibility criteria and covers 'dedicated purpose' green and social financing, 'general purpose' financing based on eligible company business mix and sustainability-linked financing.<br><br>**Barclays' BlueTrack™ methodology**<br>BlueTrack™ is Barclays' methodology for measuring our financed emissions, and tracking them at a portfolio level against the goals of the Paris Agreement. BlueTrack™ currently measures carbon, and includes capital markets financing in addition to lending. BlueTrack™ builds on and extends existing industry approaches to cover not only lending but also capital markets financing. This better reflects the breadth of our support for clients through our investment bank.<br><br>We are setting targets, informed by Paris-aligned benchmark scenarios, to reduce our financed emissions. We also have clear restrictions on financing certain energy sector activities, including relating to thermal coal, oil sands, fracking and projects in the Arctic Circle.<br><br>We have already used BlueTrack™ to assess the financed emissions of our client portfolios in the Energy and Power sectors, prioritising these two sectors because they are responsible for up to three quarters of all Greenhouse Gas (GHG) emissions globally and because Barclays has meaningful exposure to them. Therefore, they represented the most appropriate starting place from which to make a significant difference. | Barclays PLC Annual Report 2021<br>▪ 'Social and environmental financing' on pages 68-72<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br>▪ 'Governance' on pages 6-9<br>▪ 'Metrics and targets' on pages 42-52<br><br>Barclays ESG resource hub<br>▪ Barclays ESG Reporting Framework 2021<br>▪ Barclays Sustainable Finance Framework<br>▪ Introducing BlueTrack™ Whitepaper |
| **Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.** We publish the methodologies we use to measure progress against our targets including clear definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines. These can be accessed on our ESG resource hub. | | |

# **Principles for Responsible Banking** continued

| *Reporting and self-assessment requirements* | *High-level summary of bank's response* *(limited assurance required for responses to highlighted items)* | ***References*** *Links to bank's full response/ relevant information* |
|---|---|---|
| 2.4 Progress on Implementing Targets<br><br>For each target separately:<br><br>**Show** that your bank has implemented the actions it had previously defined to meet the set target.<br><br>**Or explain** why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.<br><br>**Report** on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, banks should include quantitative disclosures). | **Reducing our financed emissions – Energy & Power**<br>In November 2020, we set a target for a 30% reduction in the $CO_2$ intensity of our Power portfolio by 2025, as well as a target for a 15% reduction in absolute $CO_2$ emissions of our Energy portfolio by 2025.<br><br>In 2021, we reduced our absolute financed emissions in Energy by 22%, exceeding our 2025 Energy targets. This reflects year-on-year reductions in borrowing and capital markets volumes across the market to more normalised levels, as well as conscious changes to our lending portfolio, where we have re-evaluated credit risk limits in segments of the Energy sector which could be most adversely affected by climate change. In 2022, a post COVID-19 pandemic rebound of the markets may result in increased issuance volumes which in turn may reverse some of our progress achieved to date. However, we also expect to see further reduction in our clients' emissions as they implement their transition plans.<br><br>Our Power portfolio has seen an 8% net decrease in emissions intensity during 2021, reflecting changes in both our lending and capital markets activity. We have supported our Power clients in transitioning their business models: in 2021, across all sectors, we facilitated £29.8bn$^{\Delta}$ of total green financing, up 70% from £17.6bn in 2020. This includes £2.5bn used to directly fund renewable power generation projects. This increase in green financing2 across the Power sector reflects the increased emphasis both issuers and investors are placing on accelerating the transition to a low-carbon economy, which is reflected in the reduction in emissions intensity of our financing.<br><br>For more information, see the Barclays PLC Climate-related Financial Disclosures 2021.<br><br>**Sustainable finance**<br>Our commitment to facilitate £150bn of social, environmental and sustainability-linked financing<br>Barclays continued to make significant progress in 2021 against our commitment to facilitate £150bn of social, environmental and sustainability-linked financing from 2018 to 2025. We facilitated £69.2bn$^{\Delta}$ of social, environmental and sustainability-linked financing in 2021, up 14% from £60.9bn in 2020. On a cumulative basis, by year-end 2021, we have facilitated £193.3bn$^{\Delta}$ of social, environmental and sustainability-linked financing since 2018, exceeding our target four years early. | Barclays PLC Annual Report 2021<br>▪ 'Social and environmental financing' on pages 68-72<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br>▪ 'Metrics and targets' on pages 42-52<br><br>Barclays ESG resource hub<br>▪ KPMG assurance statement |

# **Principles for Responsible Banking** continued

| *Reporting and self-assessment requirements* | ***High-level summary of bank's response***<br>*(limited assurance required for responses to highlighted items)* | ***References***<br>*Links to bank's full response/ relevant information* |
|---|---|---|
| | **Our commitment to facilitate £100bn of green financing**<br>Barclays continued to make progress in 2021 against our commitment to facilitate £100bn of green financing from 2018 to 2030. We facilitated £29.8bn$^{\Delta}$ of green financing in 2021, up 70% from £17.6bn in 2020 and comprised of:<br>▪ labelled, 'use of proceeds' and business mix financing in environmental categories (£22.6bn$^{\Delta}$ in 2021), and<br>▪ sustainability-linked financing that incorporates environmental performance targets (£7.2bn$^{\Delta}$ in 2021).<br>Since 2018, a total of £62.2bn$^{\Delta}$ has been facilitated across these categories, with significant momentum across our businesses, products and geographies.<br>Progress against our sustainable finance commitments is subject to Limited Assurance under ISAE (UK) 3000 and ISAE 3410 by KPMG. Please refer to the KPMG assurance statement on our ESG resource hub.<br><br>**Sustainable Impact Capital Programme**<br>The Programme has made meaningful progress towards its five-year trajectory to meet our target of investing up to £175m of equity capital in sustainability-focused start-ups between 2020 and 2025 by building a portfolio of strategic investments which have a focus on reducing carbon footprints and accelerating the transition towards a low-carbon economy. £54m of the £175m overall target has been deployed since 2020, with £30m invested in 2021, up 25% from 2020. In 2022, the Programme will continue with its commitment by deploying capital to foster innovation to support Barclays' net zero ambition. | |

**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.**
In 2021, Barclays continued to make significant progress against our sustainable finance commitments and against our aim to reduce our financed emissions as part of our ambition to be a net zero bank as outlined in our 2021 Annual Report suite.

# Principles for Responsible Banking continued

| *Reporting and self-assessment requirements* | ***High-level summary of bank's response***<br>*(limited assurance required for responses to highlighted items)* | ***References***<br>*Links to bank's full response/ relevant information* |
|---|---|---|
| **Principle 3: Clients and Customers**<br>**We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.** | | |
| 3.1 **Provide an overview** of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof. | We believe that transparency of information in our products and services is key to empowering consumers to make good financial decisions. Our aim at Barclays is to offer an accessible, empathetic and inclusive service for our customers, including for those who may typically face barriers to accessing banking services, such as customers living with disabilities, complex needs or experiencing difficult life events. We have made significant progress, but we know there is more to do.<br><br>The 'Environmental Social Governance disclosures' section in the Barclays PLC Annual Report 2021 provides an update on key topics which underpin our efforts to promote responsible relationships with our customers, including through Barclays' culture and conduct, and in relation to managing environmental and social impacts in lending and financing. The 'Responsible and inclusive banking' sub-section covers some of the ways that we seek to promote responsible and inclusive banking and increase accessibility, including through helping customers to use our platforms via the Digital Eagles, supporting customers to save money through budgeting via our Barclays Money Mentors and how we seek to support to customers impacted by gambling, domestic abuse, economic difficulties, homelessness, cancer diagnosis and, bereavement.<br><br>An update of how we seek to ensure the accessibility and responsibility of retail products is set out in the 'Accessible retail products and services' section of the Barclays PLC Annual Report 2021. It includes details of financial products and services available to individuals not eligible for standard banking offering, efforts to improve digital accessibility and safeguard customers against fraud. | Barclays PLC Annual Report 2021<br>▪ 'Environmental Social Governance disclosures' on pages 51-104<br>▪ 'Accessible retail products and services' on pages 62-64<br>▪ 'Responsible and inclusive banking' on pages 88-90 |
| 3.2 **Describe** how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved. | Barclays is providing the green and sustainable finance required to transform the economies we serve. We are directing investment, including our own capital, into new green technologies and infrastructure projects that will build up low-carbon energy capability. We are also using our advisory, product sets and financial expertise to help our customers and clients realise their own transitions.<br><br>We are expanding our sustainable finance offering through both specialist banking teams as well as the integration of sustainability frameworks and principles across our wider service offering. The 'Developing and deploying finance solutions' section in the Barclays PLC Annual Report 2021 sets out the suite of green and sustainable products offered by Barclays, including updates and developments in 2021. The products span financing activities in corporate and investment banking, retail banking, private banking and wealth management and investment.<br><br>The Barclays Sustainable Finance Framework sets out the product scope and accounting basis for our sustainable finance commitments.<br><br>The 'Strategy' section in the Barclays PLC Climate-related Financial Disclosures 2021 sets out how we engage with clients as they transition to a low-carbon economy, using our advisory and financial expertise to help them navigate this period of extraordinary change. | Barclays PLC Annual Report 2021<br>▪ 'Developing and deploying finance solutions' on pages 73-75<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br>▪ 'Strategy' on pages 10-21<br><br>Barclays ESG resource hub<br>▪ Barclays' Sustainable Finance Framework |

# **Principles for Responsible Banking** continued

| *Reporting and self-assessment requirements* | ***High-level summary of bank's response***<br>*(limited assurance required for responses to highlighted items)* | ***References***<br>*Links to bank's full response/ relevant information* |
|---|---|---|
| **Principle 4: Stakeholders**<br>**We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.** | | |
| 4.1 **Describe** which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved. | Barclays aims to create value for everyone we serve, balanced across the short and the long term. We think about our core stakeholders as belonging to four groups: customers and clients, colleagues, society, and investors. Details of how we engage with our stakeholders are set out in the 'Engaging with our stakeholders' section of the Barclays PLC Annual Report 2021.<br>We seek to understand and address the material ESG issues for our stakeholders, including our customers and clients, our colleagues, society and investors. We therefore perform a materiality assessment annually. You can find our materiality matrix in the GRI Content Index on the Barclays ESG resource hub. | Barclays PLC Strategic Report 2021<br>▪ 'Engaging with our stakeholders' on pages 14-15<br>Barclays ESG resource hub<br>▪ GRI Content Index |

# Principles for Responsible Banking continued

| *Reporting and self-assessment requirements* | *High-level summary of bank's response*<br>*(limited assurance required for responses to highlighted items)* | *References*<br>*Links to bank's full response/ relevant information* |
|---|---|---|
| **Principle 5: Governance & Culture**<br>**We will implement our commitment to these Principles through effective governance and a culture of responsible banking.** | | |
| 5.1 **Describe** the relevant governance structures, policies and procedures your bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles. | Barclays' governance structure consists of the Board, Board Committees, Executive and Management Committees across both Business and Legal entity lines. Refer to our 'Governance report' in Part 2 of the Barclays PLC Annual Report 2021 for information relating to the Board, Group Executive Committee (Group ExCo) and Board Committees, our Board governance framework and how we complied with the requirements of the 2018 UK Corporate Governance Code during 2021.<br><br>**Barclays PLC Board**<br>The Barclays PLC Board sets the strategic direction and risk appetite of the Group and is the ultimate decision making body for matters of Group-wide strategic, financial, regulatory or reputational significance. The Board is also responsible for the oversight of social and environmental matters, including climate-related risks and opportunities.<br><br>During 2021, the Board received regular updates on Public Policy and Corporate Responsibility matters (together with Group Reputation Risk Reports) from the Group Head of Public Policy & Corporate Responsibility (PPCR). These updates covered matters such as key government and regulatory policy, regulatory engagement and ESG matters including climate. Four climate-specific updates were provided to the Board by the Group Head of PPCR and Group Head of Sustainability, covering areas such as progress on our climate strategy, policy updates, industry trends, stakeholder engagement and target-setting.<br><br>In addition to these Board briefings, the Group Head of PPCR regularly engaged with the Barclays Group Chief Executive, Chairman and Non-Executive Directors on a range of matters relating to the Group's climate strategy.<br><br>**Group Executive Committee (Group ExCo)**<br>Throughout 2021 the ExCo has been provided with regular updates on our climate strategy including progress on our commitments, stakeholder engagement and expectations, and target-setting. The Group Head of PPCR is a member of Group ExCo and is accountable for ensuring the Group's societal purpose is present in strategic decision-making at the highest levels in the organisation. The Group Head of PPCR regularly updates ExCo on a range of Public Policy and Corporate Responsibility matters, covering key government and regulatory policy, regulator engagement and ESG matters including climate. These updates include information about key industry trends and events, such as the creation of the Net-Zero Banking Alliance, COP26 engagement and Barclays support for the Global Investment Summit; as well as the evolving regulatory focus on climate change. | Barclays PLC Annual Report 2021<br>▪ 'Managing risk' on pages 44-46<br>▪ 'Managing impacts in lending and financing' on pages 76-78<br>▪ 'Governance report' on pages 111-199<br>▪ 'Directors' report: Key Board Activities in 2021' on pages 120-123<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br>▪ 'Governance' on pages 6-9 |

# Principles for Responsible Banking continued

| *Reporting and self-assessment requirements* | ***High-level summary of bank's response*** *(limited assurance required for responses to highlighted items)* | ***References*** *Links to bank's full response/ relevant information* |
|---|---|---|
| | **Group Head of PPCR**<br>The Group Head of PPCR leads the Group's sustainability and citizenship agendas, and has overall responsibility for Corporate Relations and Regulatory Relations. Specifically, the role is responsible for leading Barclays' efforts in tackling climate change, and for integrating our ambition and commitments to help accelerate the transition to a low-carbon economy into the business.<br><br>**Group Head of Sustainability**<br>During 2021, Barclays appointed a Group Head of Sustainability who leads the Sustainability and ESG team, and the strategic direction and execution of Barclays' policies and practices across a broad range of sustainability and ESG matters, including climate change. The role also oversees the development of standards and metrics to advance green and sustainable finance and to steward early innovation in sustainable product and service development. This role is responsible for reputation risk issues arising from climate change, although the Board has overall responsibility for reputation matters generally. The group Head of Sustainability reports directly to the Group Head of PPCR.<br><br>More details of Barclays' governance arrangements relating to oversight and management of climate-related issues are set out in the 'Governance' section of our Climate-related financial disclosures.<br><br>At Barclays, risks are identified and overseen through the Enterprise Risk Management Framework (ERMF, which supports the business in its aim to embed effective risk management and a strong risk management culture. The ERMF governs the way in which Barclays identifies and manages its risks. The management of risk is then embedded into each level of the business, with all colleagues being responsible for identifying and controlling risk. Given the increasing risks associated with climate change, and to support the Group's ambition to be a net zero bank by 2050, it was agreed that climate risk would become a Principal Risk from 2022. | |

# **Principles for Responsible Banking** continued

| *Reporting and self-assessment requirements* | ***High-level summary of bank's response***<br>*(limited assurance required for responses to highlighted items)* | ***References***<br>*Links to bank's full response/ relevant information* |
|---|---|---|
| 5.2 **Describe** the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others. | Details of our approach to fostering a culture of responsible banking are found in the 'Environmental Social Governance disclosures' section of the Barclays PLC Annual Report 2021. See in particular, the sections about 'The Barclays Way' on page 80 and 'Conduct' on pages 81-87.<br>For leadership communication on responsible banking and ESG, see the 'Chairman's introduction' and the 'Chief Executive's introduction and market overview' in the Barclays PLC Strategic Report 2021.<br>The Barclays Climate Risk team provides training to banking and credit risk teams to raise awareness of the environmental credit risks in particular sectors and highlight their responsibilities in identifying these risks. In 2021, training was provided to 160 colleagues. We are also looking to expand the opportunity for our training in wider teams across the Group to further the awareness. In addition to climate risk becoming a Principal Risk, mandatory training for the Group will be introduced in 2022.<br>Non-financial performance metrics are incorporated within management remuneration structures as set out in the 'Remuneration report' section of the Barclays PLC Annual Report 2021.<br>Executive Director bonus and Long Term Incentive Plan (LTIP) outcomes are assessed against a framework of measures, set by the Remuneration Committee. A proportion of both bonus and LTIP is driven by non-financial performance measures, including measures relating to climate. For the 2022 bonus and 2022-24 LTIP awards, 10% of the overall outcome for each will be determined by performance against Climate and sustainability measures, reflecting our ambition to be net zero by 2050, including our commitment to align our financing with the goals of the Paris Climate Agreement.<br>The LTIP also includes measures relating to customers and clients, colleagues and society. The Barclays PLC Fair Pay Report 2021 sets out more detail about how we reward sustainable performance. | Barclays PLC Annual Report 2021<br>■ 'Strategic Report' on pages 1-50<br>■ 'Environmental Social Governance disclosures' on pages 51-104<br>■ 'Managing impacts in lending and financing' on pages 76-78<br>■ 'Remuneration report' on pages 162-199<br>Barclays PLC Climate-related Financial Disclosures 2021<br>■ 'Governance' on pages 6-9<br>Barclays PLC Fair Pay Report 2021<br>■ 'Alignment of employee and Executive Director pay' on page 12<br>Barclays ESG resource hub<br>■ The Barclays Way |
| 5.3 Governance Structure for Implementation of the Principles<br>**Show** that your bank has a governance structure in place for the implementation of the PRB, including:<br>a) target-setting and actions to achieve targets set<br>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. | The governance structure set out under 5.1 above covers sustainability and ESG matters including target-setting and actions to achieve these targets. This includes the targets addressing our significant impact areas as identified through our impact analysis described above. | Barclays PLC Annual Report 2021<br>■ 'Environmental Social Governance disclosures' on pages 51-104<br>Barclays PLC Climate-related Financial Disclosures 2021<br>■ 'Governance' on pages 6-9 |

**Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.**
Barclays' governance structures described above cover social and environmental matters, including climate-related risks and opportunities.

# Principles for Responsible Banking continued

| *Reporting and self-assessment requirements* | ***High-level summary of bank's response***<br>*(limited assurance required for responses to highlighted items)* | ***References***<br>*Links to bank's full response/ relevant information* |
|---|---|---|
| **Principle 6: Transparency & Accountability**<br>**We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.** | | |
| 6.1 Progress on Implementing the Principles<br><br>**Show** that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).<br><br>**Show** that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.<br><br>**Show** that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/ regional good practices and has made progress on its implementation of these Principles. | The Barclays Annual Report suite and additional ESG disclosures on our ESG resource hub provide an update on 2021 activities, including our progress on implementing the PRB, our impact assessment, target setting and updates on individual ESG topics.<br><br>Our ESG disclosures are made with reference to the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) framework.<br><br>Our Climate-related Financial Disclosures are consistent with the four recommendations and the eleven recommended disclosures set out in the June 2017 report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In line with the current UK Listing Rules (Listing Rules) requirements, our TCFD-aligned disclosures take into account the implementation recommendations in the 2017 TCFD Annex. In addition, we have considered the 2021 TCFD Annex and applied it where possible. Some recommendations in the 2021 TCFD Annex will require more time for us to fully consider. We will be working to implement the rest of the 2021 TCFD Annex recommendations over the course of 2022 and intend to apply these more fully in our next TCFD Report.<br><br>Throughout this document, we have set out the work we are undertaking in relation to impact assessment and the development of tools, methodologies and new products and services to drive forward our implementation the PRB. | Barclays PLC Annual Report suite<br><br>Barclays PLC Strategic Report 2021<br><br>Barclays PLC Annual Report 2021<br><br>Barclays PLC Pillar 3 Report 2021<br><br>Barclays PLC Climate-related Financial Disclosures 2021<br><br>Barclays ESG resource hub<br>▪ GRI Content Index<br>▪ SASB |
| **Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.**<br>We have provided a comprehensive summary demonstrating our progress on implementing the PRB. We continue to collaborate with UNEP FI, peers and other stakeholders to explore and implement best practices which support the implementation of the Principles. | | |

## Annex: Definitions

a) Impact: An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.

b) Significant Impact: Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of significant impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of 'materiality'.

**Disclaimer**

In preparing this PRB disclosure we have:

(i) made a number of key judgements, estimations and assumptions, and the processes and issues involved are complex. This is for example the case in relation to financed emissions, portfolio alignment, classification of environmental financing, operational emissions and measurement of climate risk.

(ii) used ESG and climate data, models and methodologies that we consider to be appropriate and suitable for these purposes as at the date on which they were deployed. However, these data, models and methodologies are not of the same standard as those available in the context of other financial information, nor subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. There is an inability to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies will also be affected by underlying data quality which can be hard to assess.

(iii) reproduced certain data assured by KPMG in the Annual Report. Barclays appointed KPMG to perform limited independent assurance over selected ESG content in the Annual Report which has been marked in the Annual Report with the symbol Δ. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements. A limited assurance opinion was issued, which includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion, and is available on our ESG resource hub at: https://home.barclays/sustainability/esg-resourcehub/. Certain data assured by KPMG in the Annual Report has been reproduced in this PRB disclosure. This is marked in this PRB disclosure with the symbol Δ. No other information in this PRB disclosure has been subject to external assurance or audit.

(iv) the data, models and methodologies used and the judgements estimates or assumptions made are rapidly evolving and this may directly or indirectly affect the metrics, data points and targets contained in this PRB disclosure. We continue to review and develop our approach to data, models and methodologies in line with market principles and standards as this subject area matures. Further development of accounting and/ or reporting standards could impact (potentially materially) the performance metrics, data points and targets contained in this report. In future reports we may present some or all of the information for this reporting period using updated or more granular data or improved models, methodologies, market practices or standards. Such re-presented information may result in different outcomes than those included in this PRB disclosure. Where information is re-presented from time to time, we will identify this and (where we think it is appropriate) include an explanation. It is important for readers and users of this PRB disclosure to be aware that direct like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another.

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Barclays Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Barclays Group (including, without limitation, during management presentations to financial analysts) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, capital distributions (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets (including, without limitation, environmental, social and governance (ESG) commitments and targets), estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, International Financial Reporting Standards (IFRS) impacts and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation, the development of standards and interpretations under IFRS, including evolving practices with regard to the interpretation and application of accounting and regulatory standards, emerging and developing ESG reporting standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, the Barclays Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, environmental, social and geopolitical risks, and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entity within the Group or any securities issued by such entities; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union ("EU"), the effects of the EU-UK Trade and Cooperation Agreement and the disruption that may subsequently result in the UK and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Barclays Group's reputation, business or operations; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Barclays Group's control. As a result, the Barclays Group's actual financial position, future results, capital distributions, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures or ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Barclays Group's forward-looking statements. Additional risks and factors which may impact the Barclays Group's future financial condition and performance are identified in Barclays PLC's filings with the Securities and Exchange Commission (SEC), including, without limitation, Barclays PLC's Annual Report on Form 20-F for the fiscal year ended 31 December 2021), which are available on the SEC's website at www.sec.gov. Subject to Barclays' obligations under the applicable laws and regulations of any relevant jurisdiction, (including, without limitation, the UK and the US), in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.