

Strategic Report

Engaging with our stakeholders

Section 172(1) statement

Having regard to our stakeholders in Board decision-making

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of its member as a whole and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders, including regulators, the UK Government and non-governmental organisations.

Detail about Barclays Bank UK Group's key stakeholders, how management and/or the Directors engaged with them, the key issues raised and actions taken can be found on pages 16 to 17 of the Barclays PLC Annual Report 2020 which is incorporated by reference into this statement.

The Directors recognise that having a good understanding of the views and interests of the Barclays Bank UK Group's key stakeholders will help them to deliver the Barclays Bank UK Group's strategy in line with its purpose and to operate the business in a sustainable way. Consistent with its regulatory responsibilities, the Board also considers carefully the impact its decisions will have on the Barclays Bank UK Group's risk and control environment, and on customer outcomes. Considering a broad range of stakeholders and their relative interests is an important part of the way in which the Board makes decisions, although in having regard to those different perspectives it is not always possible to deliver everyone's desired result or necessarily achieve a positive outcome for all stakeholders.

How does the Board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the number and distribution of the Barclays Bank UK Group's stakeholders and the size of the Barclays Bank UK Group overall means that stakeholder engagement often takes place at an operational level. In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of Group-wide significance or have the potential to impact the reputation of the Barclays Group.

In addition to direct engagement with stakeholders by Board members, the Board regularly receives reports and considers and discusses information from across the organisation to help it understand the impact of the Barclays Bank UK Group's operations on, and the interests and views of, the Barclays Bank UK Group's key stakeholders. As a result of these activities and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

For more details on how the Board operates, and the way in which it reaches decisions, including the matters it discussed and debated during the year, please refer to page 17 to 26 of the Governance Report.

Engagement in action

The following, in the context of responding to the challenges arising from the COVID-19 pandemic, is an example of how the Directors have had regard to the matters set out in section 172 when discharging their duties, and the effect of those considerations in reaching certain decisions taken by them.

COVID-19

Throughout almost the entirety of 2020, as the pandemic unfurled, the primary focus of the company and the Board has been on (i) the operational and financial resilience of the bank to ensure the Barclays Bank UK Group has been able to maximise its support for the economy and society during a time of such challenge; (ii) supporting customers and clients to relieve financial pressure whilst at the same time working with the UK Government to deliver programmes to help businesses; and (iii) protecting the health and well-being of colleagues (the 'COVID-19 Priorities'). The Board and its Committees have demonstrated leadership and oversight during the pandemic, and this continues at the date of this report. This has seen the Board meet, whether in person (when permitted) or by video conference calls, significantly more frequently than in previous years, in order to devote the time needed to address the challenges which have arisen and to provide the necessary support to customers, clients, colleagues and society more broadly.

Between formal meetings, the Board has received regular updates on the implementation of the Barclays Bank UK Group's strategy, in particular in relation to the Barclays Bank UK Group's participation in UK Government schemes and its broader support for customers and clients, as well as its ongoing engagement with key stakeholders and the steps being taken to safeguard the health and well-being of customers and colleagues. Given the importance of Barclays Bank UK Group's response to the COVID-19 pandemic and its impact on stakeholders and the economy as a whole, in addition to the increased Board interaction and reporting referenced earlier, the Risk Committee, on behalf of the Board, met initially fortnightly from March until June 2020 and, since July, on approximately a monthly basis. The Committee reviewed and monitored material risk considerations and issues arising during the pandemic as well as acting as a point of escalation for management. Specifically, the Committee focused on the COVID-19 Priorities (referenced above). The Committee escalated to the Board any material risk matters and any business decisions made by management which might impact the reputation of the Barclays Bank UK Group. Close co-ordination between the Chair of the Board and the Barclays PLC Board has also ensured an ongoing dialogue has been maintained across the Barclays Group throughout the COVID-19 pandemic, resulting in a more coordinated response.

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Set out below is a summary of some of the key decisions and actions the Barclays Bank UK Group has taken in response to the impact of the ongoing pandemic where the Board has had regard to the interests of, and impact on, affected stakeholders, including consideration of stakeholder engagement and feedback received.

<p>Customers and clients</p>	<p>Continuing to support customers and clients has been a critical focus of the Board throughout the year.</p> <p>This has been reflected in a range of actions and decisions taken by the Board and management, including in its efforts to ensure a COVID-19 safe environment has been maintained for our customers and clients as well as our colleagues. This has been achieved through the provision of safe access to bank branches, putting in place a programme to achieve effective social distancing and a stringent cleaning routine. Balancing the needs of our customers and clients against their health and safety and that of our colleagues has been crucial and so, whilst such measures included notifying customers and clients of reduced opening times, we also sought to enhance our call centre facilities within the UK, in order to deal with increased call volumes resulting from the impact of the pandemic and the closure of operations in India, leading to a redeployment of technology to enable UK call centre staff to handle enquiries at home, as well as redeployment of some branch staff to bolster capacity. We also took steps to support vulnerable customers who were unable to visit a branch, and ensured that access to cash was maintained throughout the pandemic.</p> <p>In order to help relieve the financial pressure for customers and clients throughout these unprecedented times, the Board supported management in making appropriate adjustments to the Barclays Bank UK Group's strategy and policies. This has included decisions to assist the Barclays Bank UK Group's borrowers such as the implementation of payment holidays, the waiver of interest and fees on overdrafts and forbearance on late payments, as well as facilitating borrowing under the various UK Government loan schemes.</p> <p>The rationale for these changes has been to provide breathing space for customers; to appropriately reflect the impact of the pandemic on customers' income and circumstances in affordability calculations and credit decisions given the unprecedented uncertainty as a result of the pandemic.</p> <p>All of this has been achieved whilst maintaining an appropriate risk and control environment. Through regular updates from the Risk Committee, Audit Committee and management, the Board has closely scrutinised the risk and control environment across the Barclays Bank UK Group, and ensured that the ongoing support for customers and clients during the pandemic has been achieved whilst continuing to adopt a robust approach to risk and control so as to maintain a strong capital position for the longer term. The Board has paid particular attention to updates from management on various metrics and tools used to measure customer and client satisfaction and had been pleased to note that feedback on the Barclays Bank UK Group's support during 2020 has been positive.</p> <p>The Board and senior management will continue to monitor customer and client behaviours and preferences – whether arising from ongoing concerns over social distancing or from a change in customer and client banking patterns, or greater use of on-line services rather than branch or call centre facilities – and this information will help inform the Board's decisions on future strategy as it evolves to meet the long-term needs of our customers and clients.</p>
<p>Colleagues</p>	<p>The Board regards colleagues' wellbeing as being of paramount importance throughout the pandemic.</p> <p>Together with management, the Board has sought to support colleagues both financially (in terms of preservation of employment by minimising job losses), and by adapting working practices across the Barclays Bank UK Group to minimise the risk of spreading COVID-19, including through reduced branch opening times; deep cleaning of branches, call centres and offices; and the instigation of a widespread regime of remote working where possible.</p> <p>In early April 2020 the Barclays PLC Group Chairman, on behalf of the Barclays PLC Board, announced the launch of the Barclays Group's COVID-19 Community Aid Package totalling £100m and, in addition, colleagues across the Barclays Bank UK Group have also made a considerable contribution towards charitable giving during the year – much of this has been provided by way of personal donations and salary sacrifices. In this way colleagues have been able to support charities of their choice, local to their homes or places of work and which are working to support communities impacted by the COVID-19 pandemic. The Barclays PLC Board approved the Barclays Group making a £50m commitment to match-fund these colleague contributions.</p> <p>Colleague surveys have been conducted on a number of occasions throughout the year in order to maintain ongoing engagement and gather feedback, and reported to the Board. The Board has been pleased to note that the results of these surveys confirmed a high degree of satisfaction among colleagues with the measures being taken to ensure their wellbeing; and a strong sense of engagement through the matched funding for charities local to them and chosen by them as recipients of such funding.</p> <p>In addition to the colleague surveys and regular updates from management, members of the Board have continued to engage with colleagues in a variety of ways throughout the pandemic. These included holding virtual town halls, interactive video call sessions, virtual meetings with representatives of employee resource groups and visits to branches, where possible. Further details on colleague engagement is set out on pages 9 and 10 in the Strategic Report.</p> <p>The Board has also ensured that colleagues have been provided with the necessary tools to enable the shift to remote working, including by the provision of increased technological support, laptops and other home office equipment and human resources support. Recognising the additional pressures and challenges faced by colleagues as a result of the pandemic, the Board has overseen support initiatives including paid leave to support self-quarantine, sickness or care for dependents, financial help with childcare and support services and helplines for colleagues, to help protect physical and mental health and wellbeing. Further information is set out on pages 9 and 10 of the Strategic Report.</p>

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	<p>In assessing the Barclays Bank UK Group's future strategy, the Board will take into account the lessons learnt during the pandemic and, in particular, will monitor changes in customer and client banking patterns and the ability of colleagues to provide services through remote working, in order to assess whether these changes could be adopted in the longer term so as to provide greater flexibility in terms of working practices for colleagues once the pandemic is over.</p>
Society	<p>From the outset of the pandemic, the Board has encouraged management to ensure that the Barclays Bank UK Group, as a key bank in the UK, strives to operate responsibly in supporting the wider community in dealing with the current unprecedented medical and economic crisis caused by COVID-19, and in preparing for recovery in its aftermath.</p> <p>In particular, the Board has focused on the need for the economy to be supported; and has taken a particularly keen interest in the regular updates provided by management as to the Barclays Bank UK Group's efforts in this regard.</p> <p>In addition, set out in the 'colleagues' section above and on page 43 of the Barclays PLC Annual Report 2020, are details of the COVID-19 Community Aid package launched by Barclays Group in April 2020. We have and continue to work with some of the UK's leading charities to bring immediate relief to vulnerable people and communities hardest hit by the social and economic hardship caused by the pandemic.</p> <p>We have also continued to engage with local communities throughout the pandemic, to understand their needs and develop alternative solutions to enhance the provision of our services where possible, including by working closely in communities across the UK to help them access and feel confident in using our digital services through our team of Barclays Digital Eagles.</p> <p>The Board is pleased to note that external feedback has been very positive in relation to the Barclays Bank UK Group's support of society both through the maintenance of its financial services and the delivery, as part of the Barclays Group, of the Community Aid Package.</p> <p>The Board is committed to develop its future strategy so as to continue this support and engagement with local communities and society more broadly through the remainder of the pandemic and its aftermath during 2021.</p>
Investors	<p>The Board is committed to achieving sustainable returns for our shareholder, Barclays PLC, and in turn its investors over the long-term.</p> <p>Taking into consideration the importance to our shareholder, and its investors more broadly, of the long-term security and soundness of the Barclays Bank UK Group and the preservation of its balance sheet, the Board encouraged management to ensure that lending decisions would continue to be taken prudently throughout the pandemic, notwithstanding the drive to provide increased support to our customers and clients. This has also been reflected in the Risk Committee monitoring closely any changes to relevant risk limits and financial products. In addition, in order to preserve capital for use in servicing Barclays Bank UK Group's customers and clients through the challenges imposed by COVID-19, the Board decided that, despite the short term impact on Barclays PLC, it was right and prudent not to pay an interim dividend to Barclays PLC in 2020. The Board is pleased to end the year with a strong capital position.</p> <p>The Board considers engagement with its shareholder as being critical to its understanding of the Barclays Group's strategy, and the Barclays Bank UK Group's role in it, and ultimately of Barclays PLC's investors' views. Such engagement is achieved in a variety of ways, including the Barclays PLC Group Chairman, Chief Executive and other Barclays Group Executive members attending, by invitation, certain Board meetings, to update on Barclays Group matters, as well as providing Board members with the opportunity to engage and ask questions to better understand the shareholder view and Barclays Group context. In addition, the Barclays Bank UK PLC Chair's position on the Barclays PLC Board ensures the views of the Barclays Bank UK Group are represented. This engagement model will continue in 2021 and beyond.</p>



Crawford Gillies
 Chair – Barclays Bank UK PLC
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