



ESG Supply Chain Sustainability – Our Third Party Code of Conduct

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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. We seek to reinforce our business integrity by striving to improve the service that we provide, making responsible decisions in how we manage the business, and actively managing the social and environmental impacts of what we do to help individuals, communities, businesses and economies progress and grow. Our goal is to drive excellence in these areas throughout our own organisation, and to support and influence positively the development of these areas in our supply chain. We accomplish this through the Barclays Environmental, Social and Governance (ESG) Supply Chain Sustainability initiative.

As part of the ESG Supply Chain Sustainability initiative, through the Third Party Code of Conduct, we will always require that our third parties comply with all applicable laws, regulations and standards within the geographies in which they operate. In instances where standards outlined within this document differ from local laws and customs, we expect third parties to respect these standards within the context of the customs and the local laws of their specific geography.

The standards outlined in this Third Party Code of Conduct will be periodically updated to reflect changes in laws, regulations and standards. Global reporting standards such as those defined by the Global Reporting Initiative G4 Global Sustainability Reporting Guidelines have informed the current set of guidelines along with other relevant internal and external standards as will be referenced throughout the document.

Definitions

“Third Party” or “third party” means any firm or individual that provides a product or service to Barclays or to any of its clients either directly or indirectly.

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Environmental Management

Barclays recognises that the management of environmental impacts is integral to good business practice, as is outlined within the [Barclays Climate Change Statement](#). To support the reduction in our environmental impacts we have set ambitious targets to 2030. We encourage our third parties to join us in similar environmental efforts to implement Environmental Management Systems (EMS) as appropriate to their businesses, and align with best practice activities including the following:

- **Minimise harm to the environment**

Establish operational practices which minimise impact on the environment and deploy measures to prevent and reduce harm to the environment

- **Track performance and report environmental improvements**

Reduce operational environmental impacts. Impacts could include resource consumption, air emissions (including those contributing to climate change), water consumption, management of hazardous materials, recycling and waste production. Disclose required information and provide to Barclays, as appropriate, data to demonstrate environmental performance.

- **Set environmental targets and commitments**

Maintain environmental policies, objectives and targets which as a minimum include commitments to identify, measure and reduce significant environmental impacts, identify business risks associated with climate change and align with Barclays' environmental agenda. We ask third parties to align to our strategic goals and set emissions reductions targets that are long term, embrace the Science Based Target methodology and support the transition to a low carbon economy and resource efficient operations.

- **Report regulatory breach**

Disclose regulatory breaches and incidents involving the regulator, including outcomes of annual inspections, audit and or notices; together with planned improvement actions to rectify and resolve the breach.

Workforce and Human Rights

Barclays supports the protection of human rights around the world. We are guided by fundamental principles such as the International Labour Organisation (ILO) Core Conventions and we comply with all applicable law and regulation, including the UK Modern Slavery Act 2015 and its reporting obligations to publish an annual slavery and human trafficking statement. We are committed to operating in accordance with the International Bill of Human Rights (comprising the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights). This support is reflected in our policies and actions in the countries in which we do business.

Barclays seeks to support human rights through our supply chain by encouraging behaviours and practices that are consistent with the objectives of the [Barclays Statement on Human Rights](#). We welcome relationships with our third parties as opportunities to improve and evolve practices with respect to Human Rights. Our supply chain participants are expected to support our commitment to respect human rights through:

- **Occupational Health and Safety**

Provision of a safe and hygienic working environment through proactive management and controls that minimise health and safety risks and support accident prevention for all personnel, bearing in mind the prevailing knowledge of the industry, the requirements of local health and safety laws and of any specific hazards, wherever personnel perform duties, such as, factories, warehouses, workshops, offices, vehicles, external facilities or other work, dining and recreational spaces. Where delivery of products and services are to be performed on Barclays' premises, a Third Party Health and Safety Expectations document is available through your Third Party Relationship Manager.

- **Freely chosen employment**

Ensuring that all work is completed voluntarily and without slavery, servitude, forced or compulsory labour and human trafficking. Workers shall have the freedom to terminate their employment at any time without penalty, upon giving reasonable notice.

- **Avoidance of child labour**

Child labour should not be employed. The term 'child' refers to any person less than 15 years of age (or 14 where the law of the country permits), unless the minimum age for work or mandatory schooling is stipulated as being higher by local law, in which case the stipulated higher age applies in that locality.

- **Working hours**

Ensuring that all workers are entitled to work and be paid for a minimum level of working hours; that working hours are not excessive; and that maximum working hours comply with national laws. All overtime shall be purely voluntary, unless part of a legally recognized collective bargaining agreement. No worker shall be made to work overtime under the threat of penalty, dismissal, denunciation to authorities or as a disciplinary measure.

Workforce and Human Rights (continued)

- **Wages and benefits**

Being responsible for employee compensation and payment of fair wages. All employees should be paid a fair wage commensurate with prevailing industry conditions or the minimum wage, whichever is higher.

- **Employee freedom of association**

Respecting the rights of workers to exercise freedom of association and collective bargaining. Where the right of freedom of association and collective bargaining is restricted under law, the third party will not hinder the development of alternative means for informing/consulting with employees.

- **Workforce Engagement**

Barclays believes that workforce engagement (sometimes referred to as “employee voice”) is an important element in delivering an engaged workforce which constantly drives improvement in business products, services and customer experience. Effective engagement mechanisms can also highlight shortcomings in the way an organisation treats its workforce.

All third parties with greater than 250 employees must demonstrate through annual reporting that effective workforce engagement mechanisms are in place to provide channels for the workforce to share ideas and concerns with senior management and the board.

Reports should clarify the mechanisms used and which segments of the workforce they have applied to, including employees and other workers (such as agency workers or contractors). All premium listed UK companies must also attest that they have met the requirements of the Financial Reporting Council (FRC) Code in this area.

- **Avoidance of discrimination and harassment**

Promoting a workplace free from discrimination, harassment (sexual, physical, mental), victimisation, or any other form of inappropriate behaviour or abuse on any grounds (including but not limited to; race, colour, creed, religion, national origin, alienage or citizenship status, age, sex, sexual orientation, gender, identity or expression, marital or domestic/civil partnership status, disability, veteran status, genetic information, ethnic origin, parental status, physical appearance, political convictions, pregnancy, social origin or status, economic status, union affiliation, employment status – salaried or hourly, full-time, part-time, seasonal, intern, or any other basis protected by law.)

- **Grievances**

Demonstration of formal mechanisms allowing employee grievances regarding human and labour rights violations to be properly filed, addressed and resolved without fear of perceived or actual retaliation. Grievance mechanisms shall be available in employee’s native language and include the ability to report grievances anonymously.

- **Whistleblowing**

Demonstration of formal mechanisms allowing employees to raise concerns of operational or business practices that violate laws, regulations or company values and for the concerns to be properly filed, addressed and resolved without the fear of retaliation.

Diversity and Inclusion

At Barclays, we believe that creating an inclusive and supportive culture is not only the right thing to do, but also what is best for our business. It makes us better at understanding the needs of our customers and clients, and it creates a sense of belonging and value that enables our colleagues to perform at their best. Barclays has a firm commitment to enable equality of opportunity and workplace cultures that promote workplace diversity and inclusion as outlined by the [Barclays Diversity and Inclusion Strategy](#) and supply chain diversity and inclusion as outlined by the Barclays [Third Party Diversity and Inclusion Strategy](#). We not only meet the basic legal requirements in every jurisdiction we operate in, but seek to lead the way in this area. More information about our progress in becoming a more inclusive organisation is set out in our [Diversity and Inclusion Report](#). This report sets out our strategy to build and maintain a culture that makes everyone feel included and supported, providing equality of opportunity for talent at all levels and from all backgrounds to grow. We encourage our third parties to partner with us to achieve excellence in equality, diversity and inclusion through:

- **Workplace Inclusion and development**

Actively demonstrating commitment to equality, diversity and inclusion through all aspects of workplace operations and management giving clear consideration to equality of opportunity in employment, skill development and career advancement, particularly with under-represented segments of society in the area of local operations. Documenting a diversity and inclusion approach, which as a minimum should include commitments to identify, measure and improve a culture of inclusion for each of their stakeholder groups; with clear accountability and monitoring of progress across all levels of operations and management.

- **Inclusive supply chain management**

Drive active management of downstream supply chains as part of their commitment so that the principles of diversity and inclusion are encouraged through their supply chain. As part of this active management we expect our third parties to contribute to our third party diversity and inclusion efforts by recruiting, utilising and developing diverse businesses on Barclays work. Where third-party opportunities for diverse third parties to participate directly on Barclays work are limited, at a minimum, we expect third parties to demonstrate a culture of supply chain inclusion through commitments to identify, measure and improve outcomes for diverse businesses; with clear accountability and monitoring of progress. Diverse businesses are broadly defined as 'size diverse' i.e. small and medium-sized enterprises where revenue and/or employment eligibility limits are defined locally or 'ownership diverse' i.e. where socio-economic under-represented segments of society as defined by local/regional standards meet ownership, control and operating standards for women, ethnic-minority, LGBT+, veteran, persons with disabilities business enterprise designation.

Society

Barclays recognises the impact our procurement practices may have on local society. We encourage our third parties to avoid decisions that may have a negative social or economic impact on society, including:

- **Local development**

Demonstration of employee or corporate initiatives designed to improve the social and economic conditions of those within the local/regional geography. Avoidance of negative impacts resulting from activities considered detrimental to local society, such as encroachment and displacement of indigenous people.

- **Prompt payment of third parties**

Adherence to prompt payment legislation or standards to ensure the ongoing economic health of businesses contracted to provide goods and services in the supply chain

Product, Service and Operational Responsibility

Barclays has a firm commitment to deliver products and services that are responsibly sourced, produced and delivered to our customers and clients. Our supply chain partners are expected to support this commitment through:

- **Health and safety**

Products and services are designed, produced and distributed in such a manner as to comply with laws, regulations and voluntary codes concerning health and safety impacts of products and services through their lifecycle. All products supplied to Barclays must meet the minimum safety standards of the jurisdiction in which they will be supplied along with relevant safety information, where applicable

- **Labelling**

Products and services are designed, produced and distributed in such a manner as to comply with regulations and voluntary codes concerning information and labelling of products and services throughout their life cycle.

- **Avoidance of banned or disputed products and services**

Demonstration of avoidance of the sale, use, marketing, and communications, including advertising, promotion and sponsorship, of banned or disputed products or services as defined by regulations and voluntary codes.

- **Fair dealing with customers**

Sales or performance incentives are designed and controlled in such a manner as to comply with regulations, voluntary codes and Barclays' incentive principles and standards, as well as, provide transparency and offer safeguards to prevent moral hazard and conduct risk that could negatively impact customers.

- **Customer Vulnerability**

Where the third party expects to come into contact with customers in vulnerable circumstances, they must have adequate records to demonstrate that they take reasonable steps to ensure that they can appropriately identify and manage such customers to avoid harm or detriment

- **Responsible Technology - Digital Accessibility & Disability Inclusion**

Digital services and workplace tools are designed and developed to be easy to see, hear, understand and use for all customers and colleagues, including people with disabilities. There is a legal requirement, commercial opportunity and moral imperative for ensuring that the one billion people with disabilities around the world are not left out or left behind from using our digital services.

Suppliers must have adequate records to demonstrate that relevant accessibility standards, innovation and best practices have been embedded in their operations to deliver inclusive products and services that meet the accessibility needs of people with disabilities.

Suppliers providing digital services (including software, websites, mobile applications, kiosks and digital communications) must ensure that their technologies comply with the most recent version of the Web Content Accessibility Guidelines (WCAG) AA level.

- **Responsible Technology - Artificial Intelligence**

Artificial Intelligence (AI) applications, used for Barclays' products and services, are designed in such a manner as to comply with regulations, voluntary codes and with consideration of Barclays' AI ethics principles. Systems are designed and controlled to deliver fair outcomes in a reliable and transparent way, with clear accountability for ownership of the AI system with ability to interrupt in advance or immediately upon the occurrence or potential risk of negative unintended outcomes.

AI applications are defined as anything that instructs the machine to act intelligently (i.e. learning, recognition, conversation, etc.). It is the ability of computers to perform tasks, such as recognising images, processing natural languages and learning from experience. Examples of AI include machine learning, conversation recognition and computer vision.

Barclays' Purpose, Values and Mindset

Our success as a bank cannot be separated from our culture. And the power of who we are is greatest when we are bound together by a common Purpose, shared Values and a single Mindset.

- **Our Purpose**

Our Purpose is the reason our company exists; the societal need we fulfil. It encapsulates what we are fundamentally here to do. It provides a clear expression of the kind of business we want to be, and what we care about, which in turn helps guide us in the decisions we make. We deploy finance responsibly to support people and businesses acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

- **Our Values**

Our five Values – Respect, Integrity, Service, Excellence and Stewardship – are our moral compass; the fundamentals of who we are and what we believe is right:

Respect – We harness the power of diversity and inclusion in our business, trust those we work with, and value everyone's contribution

Integrity – We operate with honesty, transparency and fairness in all we do.

Service – We act with empathy and humility, putting the people and businesses we serve at the centre of what we do.

Excellence – We champion innovation, and use our energy, expertise and resources to make a positive difference.

Stewardship – We prize sustainability, and are passionate about leaving things better than we found them.

- **Our Mindset**

Barclays people have a Barclays Mindset. Our Mindset shapes how we take action, living by our Values, driven by our Purpose, always with our customers and clients at the heart of what we do:

Empower - Trust and support each other to deliver. Make decisions with those closest to the topic. Include diverse perspectives. Celebrate success and learn from failure.

Challenge - Question whether things can be done better. Use insights based on data to inform decisions. Be curious about how we can adapt and improve. Speak up and be open to alternative viewpoints.

Drive - Focus on outcomes. Deliver with pace. Be passionate and ambitious about what we do. Take personal responsibility. Actively build collaborative relationships to get things done.

We encourage our third parties to partner with us in achieving this goal, by ensuring that all their employees and sub-contractors who interact with Barclays' personnel, clients and customers on Barclays' behalf demonstrate our common Purpose, shared Values and single Mindset. We request that where appropriate, you cascade to your employees the information contained in '[Our Purpose, Values and Mindset](#)', to help them reflect and demonstrate the Barclays values in all their interactions.

Third Party personnel should be aware of rules and restrictions that regulate interaction with Barclays' personnel and must endeavour to avoid non-compliance with policies. Specifically:

- **Avoidance of conduct risk**

Reinforce compliance with policies that govern third party interaction with Barclays' personnel such as the gift and entertainment and conflicts of interest policies. Barclays' personnel are prohibited from receiving gifts and entertainment from third parties and must be cleared for any exceptions. Barclays' personnel must also seek approval for outside affiliations, including those with third parties.

We want all third parties, clients and customers to have an experience that reflects the Barclays' Purpose, Values and Mindset and reinforces their perception of Barclays as their bank of choice.

If you have any questions or concerns the Barclays Purpose, Values and Mindset are not being upheld please contact us [here](#).

Raising a concern (whistleblowing)

Barclays is committed to conducting all of its business activities ethically and in accordance with applicable laws and regulations, and the highest professional standards. Integrity in our business behaviour and in our management systems is crucial to the success of Barclays, our customers and our shareholders, as well as the fulfilment of our corporate responsibilities.

The Barclays Group-Wide Whistleblowing Standard reflects our commitment to ensuring that concerns of potential breaches of laws, rules or regulations are handled in an appropriate manner and rectified as necessary. Raising concerns and whistleblowing is the process through which you can report, in confidence, such concerns. This could mean fraud, criminal behaviour, financial crime, or breaches of financial services, health and safety or regulatory obligations - or the deliberate concealment of any of those things.

We expect our third parties to strongly encourage their employees to raise concerns to Barclays about inappropriate conduct by Barclays or its employees and to make them aware of how to do this.

Our third parties and sub-contractors can raise any concerns in confidence or anonymously (where permitted) through [EthicsPoint](#) and we will:

- Treat all matters raised through the process seriously and where merited, an investigation will be conducted;
- Ensure that if you wish to remain anonymous, no attempt will be made to identify you;
- Support and guide you throughout the process;
- Advise you when a matter concludes and keep you informed unless to do so would generate data privacy and /or bank confidentiality issues; and
- Provide you with contact details for Protect, a UK based charity, in case you would like to access free and independent guidance for those who are considering reporting inappropriate conduct.

Our UK based third parties, their employees and sub-contractors may also make protected disclosures to the Financial Conduct Authority (FCA) or the Prudential Regulation Authority. It is possible to report using the firm's internal arrangements and also to the FCA / PRA; these routes may be used simultaneously or consecutively:

Financial Conduct Authority
Telephone: +44 (0)20 7066 9200
Email: whistle@fca.org.uk
Post: Intelligence Department
The Financial Conduct Authority
12 Endeavour Square
London, E20 1JN

Prudential Regulation Authority
Telephone: +44 (0) 203 461 8703
Email: PRAwhistleblowing@bankofengland.co.uk
Post: Confidential Reporting (IAWB team)
Bank of England
Threadneedle Street
London, EC2R 8AH

Third Parties are required to inform their employees that they will not be subject retaliation by their employer, Barclays, or Barclays' employees as a result of raising a concern; and that if they are retaliated against, this should be reported to Barclays.

Third Parties are also invited to consider adopting appropriate internal procedures, if they do not have such a process already, which encourage workers (employees or sub-contractors) with concerns to blow the whistle internally about matters which are relevant to the functions of the FCA / PRA

Monitoring and due diligence

Barclays has a responsibility to conduct appropriate due diligence before entering relationships with key third parties. 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 none of our third parties have any association with modern slavery and that they have not been engaged in any activity with an adverse human rights impact.

All third parties are expected to self-monitor their compliance with our third party code of conduct and to inform us of any non-compliance. Barclays further requires that third parties segmented as Limited, High, Important or Material Risk to conduct an annual self-certification against our third party code of conduct. We also expect all third parties to provide us with responses to our reasonable requests for information about compliance with our third party code of conduct.

Higher risk third parties will also be subject to on-site audits. Any third parties not meeting our requirements (through either self-certification, remote desktop review or on-site review) will then be subject to measures, which may include a remediation process.

Downstream monitoring and due diligence

Third Parties are expected to perform effective monitoring and due diligence procedures for downstream third parties, subcontractors and other supply chain participants to ensure that environmental, human rights, diversity and inclusion, society, product and service responsibility, digital accessibility and disability inclusion, purpose, values and mindset, whistleblowing, monitoring and due diligence standards are monitored as part of their own third party code of conduct.

