Barclays PLC
Annual Report 2023

Welcome to Barclays

Creating positive outcomes for our stakeholders

Our Purpose

Working together for a better financial future

Our Vision

The UK-centred leader in global finance

A comprehensive and pre-eminent UK consumer, corporate, wealth and private banking franchise

The leading non-US based investment bank

A strong, specialist US consumer bank

Our Values

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, courage, 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 set high standards for what we do, championing innovation and using 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

Customers and clients

Colleagues

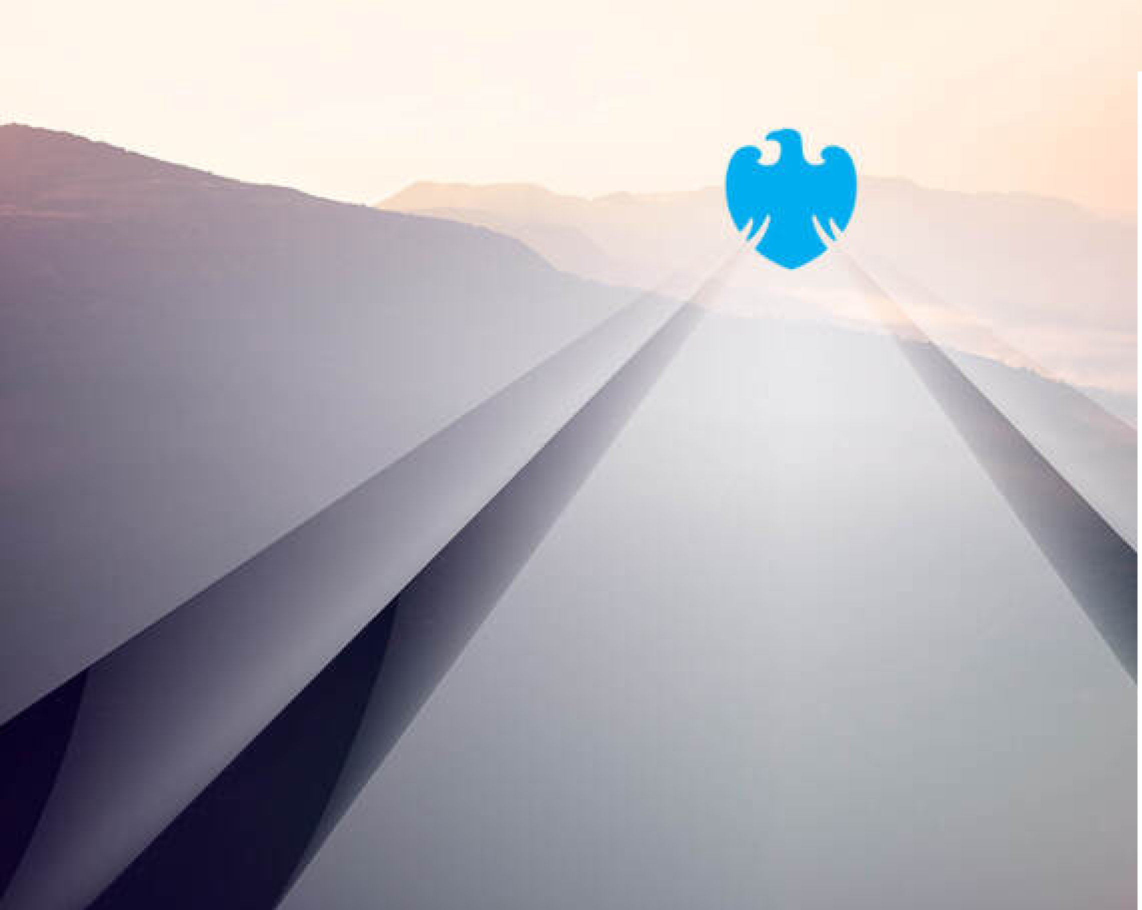
Society

Investors

The Group at a glance

Working together for a better financial future

Barclays supports individuals and small businesses through our consumer banking services, and larger businesses and institutions through our corporate and investment banking services. Barclays is diversified by business, geography and income type.



Financial headlines

£6.6bn[1]
Profit before tax
(PBT)

32.4p[1]
Earnings per share
(EPS)

10.6%[1]
Return on tangible equity
(RoTE)

Customers and clients

7.3m
personal customers who Barclays helped to open a new savings account or grow their deposits with us (2023)

Colleagues

86%
of colleagues would recommend Barclays as a great place to work (2023)

Society

3.27m
people upskilled by Barclays (2023)

Investors

37%
increase in announced 2023 capital distribution versus 2022

Note:
1 Excluding the impact of Q423 structural cost actions.

In this year's report

Parts 1, 2 and 3 of Barclays PLC 2023 Annual Report together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

Please note that throughout the document, graphical representation of component parts may not sum due to rounding.

Strategic report

The Barclays PLC Strategic report 2023 was approved by the Board of Directors on 19 February 2024 and signed on its behalf by the Chairman.

The Strategic report 2023 is not the Group's statutory accounts. It does not contain the full text of the Directors' report, and it does not contain sufficient information to allow as full an understanding of the results and state of affairs of the Group and of its policies and arrangements concerning Directors' remuneration as would be provided by the full Annual Report 2023.

Inside Part 1 Strategic report

Welcome to Barclays	1
The Group at a glance	2
In this year's report	3
Chairman's introduction	4
Chief Executive's review	7
Our business model	10
Our strategy	**11**
Our business environment	12
Our plan and targets	13
Our new divisional structure	14
2023 divisional review	**15**
About Barclays	16
Barclays UK	17
Barclays International: Corporate and Investment Bank	19
Barclays International: Consumer, Cards and Payments	21
Our stakeholders	**23**
Customers and clients	24
Colleagues	27
Society	30
Investors	34
Additional disclosure	**37**
Section 172(1) statement	38
Non-financial and sustainability information statement	40
Task Force on Climate-related financial disclosure statement of compliance	48
ESG Ratings and Benchmarks	49
ESG-related reporting and disclosures	50
Managing risk	51
Viability statement	54
Shareholder information	56
Important information	58

Inside Part 2

Climate and sustainability report	59
Risks and opportunities	66
Implementing our climate strategy	72
Resilience of our strategy	130

Inside Part 3

Governance	**140**
Board governance	144
Directors' report	145
Remuneration report	191
Other governance	230
Risk review	**254**
Risk review contents	255
Risk management	256
Material existing and emerging risks	258
Principal risk management	272
Risk performance	284
Supervision and regulation	363
Financial review	**373**
Key performance indicators	374
Consolidated summary income statement	376
Income statement commentary	
Consolidated summary balance sheet	378
Balance sheet commentary	
Analysis of results by business	380
Non-IFRS performance measures	387
Financial statements	**394**
Financial statements contents	395
Consolidated financial statements	413
Notes to the financial statements	421

11
Our strategy

15
2023 divisional review

23
Our stakeholders

Chairman's introduction

Working together for a better financial future

Our strong and stable franchise has enabled us to remain resilient and continue to support our customers, clients and communities through an unpredictable external environment. We will continue to work together for a better financial future for all our stakeholders.

"The UK has been Barclays' home for over 300 years and as such we play an active part in its economic success."

Nigel Higgins
Chairman

Banks and the banking system should at all times strive for a high degree of stability and reliability, reflecting their resilience, continuity of service to customers and clients, and the essential mechanics they perform for national and global economies. The premium for stability and reliability, and the challenge of achieving both, rise in difficult times. The essence of our message to you this year is that Barclays is well on the journey to a more sustainable, and satisfactory performance, but has more to do and a plan to do it.

That the global background is unpredictable is obvious and volatility is now the backdrop to our world, where we seek so many things with only partial success – continuing economic growth, predictable courses for inflation and interest rates, settled patterns of global trade, stability within and between nations.

2023 started with fairly uniform and downbeat economic and equity market expectations. On both counts, however, the intervening twelve months surprised on the positive side, but not without considerable stress being experienced by households and businesses, triggered by inflation and rising interest rates. It is testimony to the resilience of the economic system that this occurred but is sobering to note how wrong so much of the predictive commentary could be.

As a global bank we must pay close heed to shifts in the external environment and reverberations for our stakeholders. Banks vary enormously, by geography and by individual firm, in terms of how they respond to changes in interest rates and the interest rate curve. After years of negligible interest rates, banks have to find the right balance between higher rates for borrowers, which improve profitability, and sometimes conflicting consumer and political expectations; this is not an easy balance to strike.

Chairman's introduction (continued)

Facts and figures

32.4p[1]
Earnings per share
2022:30.8p

8.0p
Dividend
2022: 7.25p

£3.0bn
Total capital return in relation to 2023
2022: £2.1bn

$67.8bn
Sustainable and transition financing facilitated towards the target of $1trn by 2030

In this environment, Barclays has maintained strong liquidity and operated towards the top of its target range for capital throughout 2023. With a profitable business model we delivered a Return on Tangible Equity for 2023 of 10.6%[1], enabling capital distributions of c. £3.0bn. These capital returns mean that since 2019 we have returned c.£9bn in dividends and buybacks to our shareholders, representing a share count reduction of 13%. Our management team has brought stability to earnings, delivering consistent underlying returns above 10% since 2021, whilst continuing to oversee significant improvements in the operations of the bank as part of our ambition to achieve a standard of being consistently excellent in all that Barclays does. This has been a very material endeavour and Venkat gives more detail about our renewed operational rigour in his letter.

However, both the Board and management team are acutely aware that our returns should be higher, and our valuation is far from where it should be. Our focus since the global financial crisis has been to rebuild and stabilise the bank. In a world of constrained capital and human resource, the bank has prioritised its operational and financial resilience, including significant investments in the technology stack. This has included a considerable shrinkage of geographic footprint and a focus on those businesses where we believe we can be successful.

We have also reinforced the talent and infrastructure of the Investment Bank, in Markets and Banking in particular, given that these are scale-dependent businesses and are central to the diversified returns strategy we pursue. The consumer businesses of Barclays have received less consistent and focused investment.

The challenges of performance and valuation are linked but distinct. In addressing the challenges and regulatory requirements of the post-financial crisis world Barclays has become overly complex and cost-heavy. It is not always the case that more resources and extra processes make a financial institution safer or more resilient. Complexity can lead to accountability or responsibility being unclear at times, and to unnecessary cost; being simpler is often safer, and more cost efficient. In other words, how we operate is as important as the shape of the business model. There are a small number of business lines which we plan to exit in 2024, but these are not particularly material to the performance challenge. The big task is to execute Venkat's ambition to be consistently excellent. The simplification of processes and the streamlining of management layers in the bank are fundamental to this. This process is well underway and it lay behind the decision to take a significant fourth quarter restructuring charge last year.

The valuation challenge is obviously less directly under our control. The Board's view remains that the diversified returns strategy which we pursue is the right one. However, it brings business complexities, and there is a scarcity of comparable banks in Europe.

Our commitment to the Investment Bank remains strong, and its priority over the next few years, having reached overall scale, is to become more capital efficient and thus profitable, in part through improved prioritisation around activities and clients. The cost structure also requires some work. Given this, we do not envisage needing to add materially to the capital deployed in the Investment Bank. At the same time we will step up investment in the consumer businesses of Barclays on both sides of the Atlantic.

As a result, we expect the allocation of capital within the bank to shift, with Markets and Banking coming to represent a rather lower proportion of RWAs over coming years. We think that this balance, as long as it is reinforced by continuing returns at the appropriate level, should improve investor sentiment towards this business. Secondly, we continue the journey to make sure that investors have more confidence in where and how we make money. Our disclosures around risk and profitability have improved markedly over the last few years and we remain committed to doing more. The new divisional reporting arrangement will help here, including being transparent about those areas of the business where profitability improvement is most needed.

In his letter to shareholders Venkat sets out in more detail his vision for Barclays, including new financial targets, and a clear plan to achieve them.

Note:
1 Excluding the impact of Q423 structural cost actions.

Chairman's introduction (continued)

This path to a simpler, better and more balanced bank is not just based on the work around Barclays' shape, strategy and financial performance. It is also intimately tied to our expression of Purpose, which we have also decided to streamline to emphasise the way in which we need to operate. 'Working together for a better financial future' expresses our drive to deliver high quality products and services which help to improve livelihoods for customers and clients, helping them with the finance and advice to innovate, invest and grow. And for our communities, it is about using our scale and capabilities to fulfil potential. It is also clear that a greater focus on the consumer and on the UK as a whole are crucial here.

During 2023, we continued to make progress to meet our ambition of being a net zero bank by 2050. Capital is critical for a successful energy transition and we are targeting our financing and resources to energy companies committed to decarbonise and investing to enable the transition in the real economy. I am pleased to report that in 2023 we financed $67.8bn of Sustainable and Transition Financing, contributing towards our target of $1trn by the end of 2030.

In addition, earlier in February we published a revised energy policy to progress our climate strategy, with a commitment not to directly finance energy companies' new oil and gas projects, consistent with the IEA NZE scenario, and setting clear expectations of transition strategies and decarbonisation requirements for our clients. This policy change is an important lever for reducing our financed emissions as we continue towards aligning our financing portfolio to the goals of the Paris Agreement.

As you read this report you will also find powerful testimonies as to how Barclays is supporting our communities, including in our UK home market. In 2023 we marked the ten year anniversary of Barclays' LifeSkills programme, which has helped millions of people transform their futures through its employability tools and learning resources.

Our partnerships with sport are another meaningful demonstration of how we can support the development of vital skills and confidence which are critical to the future success of our communities. Building on our comprehensive sponsorship of girls' and women's football since 2019, in 2023 we debuted as the Official Banking Partner of Wimbledon, integrating it with our existing programmes to support employability and skills, our focus on sustainability, and connecting clients, customers and communities.

The UK has been Barclays' home for over 300 years and as such we play an active part in its economic success. Against a backdrop of constrained public finances, high inflation and interest rates, we recognise the increasing imperative for financial institutions to play a prominent role in fostering sustainable economic growth. We have continued to do just that through 2023, from our growing network of Barclays Eagle Labs supporting entrepreneurship, to our close participation in public policy consideration of how the UK's capital markets can be bolstered to unlock business growth.

The various threads of our performance I have recounted are only made possible by the steadfast dedication and hard work of colleagues. On behalf of the Board I would like to thank all of them for their ongoing commitment to serve our stakeholders, and to deliver Barclays' success.

I am also grateful to all of my Board colleagues for their contributions this last year. We welcomed Marc Moses to our Board in January 2023 and Sir John Kingman to our Board and as Chair of Barclays Bank UK PLC in June 2023. Both bring a deep experience of financial services. Julia Wilson, who joined the Board in 2021, took over as Chair of the Audit Committee in April 2023 and you can read her letter to shareholders on page 166. I would also like to reiterate my thanks to Mike Ashley and Crawford Gillies who retired from the Board during 2023, having supported Barclays through a period of considerable change during their tenure.

I look forward to discussing Barclays' performance in 2023 and plans for the year ahead at our Annual General Meeting on Thursday 9 May 2024 in Glasgow, which is the home of our net zero campus and base for over 5,000 colleagues. The meeting will take place at the Scottish Events Campus, Armadillo, Glasgow and shareholders will be invited to participate in person or online.

2024 will be notable as we renew our focus on delivering high quality products and service to our customers and clients, and on improving our returns to investors.

Nigel Higgins
Chairman

The secret instrument is a "violin".

Chief Executive's review

Our ambition to be the UK-centred leader in global finance

Over the last decade we have made good progress building strong customer franchises in the UK and US, alongside the leading markets and banking business outside the US. We have also strengthened the bank financially, and improved our returns. From these strong foundations, we have a vision for the shape of a better run, more strongly performing and higher returning Barclays.

"By being Simpler, Better and More balanced, we can deliver greater shareholder value by 2026."

C. S. Venkatakrishnan
Group Chief Executive

Introduction

During this year, as in the previous one, we have seen increasing political and economic tensions around the world. Resurging nationalism is precipitating global decoupling, reversing the ratcheting integration of preceding decades. The effects are reflected in increasingly restrictive trade policies, subsidies, mistrust even among allies, and the resurgence of real conflict.

This riskier market, economic and political environment has several important implications for a global financial institution like Barclays. Notwithstanding global fragmentation, investors continue to need access to world markets. We have to provide this while managing the relatively higher risk of doing so. In the last decade, Barclays has largely curtailed or entirely shut retail operations in Africa, India and Europe. Our footprint today, operating in London and New York, and across major global financial centres, positions us well for this increasingly polarising world.

Perhaps most relevantly, our home in London, remains one of the leading capital market centres.

Our progress and performance

We have built a strong position in the UK market, the product of more than three centuries of commitment, with c.20 million personal customers. In the last two decades, we have also built a growing customer franchise in the US, working in partnership with prominent US brands like Gap Inc. and American Airlines, through which we serve c.20 million credit card customers. In parallel, we have established the leading international markets and banking business headquartered outside the US. Barclays Investment Bank has forged a global reputation for sophisticated execution and risk management, and is at a scale which competes directly with US peers. In Global Markets we are Top 3 in Credit and Fixed Income Financing[1], while in Investment Banking we continue to maintain a 6th position globally[2]. We led on a number of prominent deals through 2023, including Arm's IPO – the largest to price since 2021.

Notes:
1 Coalition Greenwich Competitor Analytics, 1H23 Global Results. Analysis based on the following banks: Barclays, BofA Securities, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, J.P. Morgan, Morgan Stanley, UBS. Analysis is based on Barclays' internal revenue numbers and business structure.
2 Dealogic for the period covering 1 January 2023 to 31 December 2023.

Chief Executive's review (continued)

Facts and figures

£25.4bn
Total income
2022: £25.0bn

£6.6bn
Profit before tax [1]
2022: £7.0bn

10.6%
Return on tangible equity[1]
2022: 11.6%

13.8%
CET1 capital
2022: 13.9%

As we have built our multinational footprint, we have also strengthened Barclays financially, and improved our returns. Over the last decade we increased our capitalisation from 10% to nearly 14% CET1, against a backdrop of accelerating digital transformation, an evolving regulatory landscape including Basel III, and significant economic and geopolitical disruption.

Since 2021, we have delivered consistent underlying returns above 10%, through an uncertain operating environment. This strength and resiliency has enabled us to return c.£9bn in dividends and buybacks to our shareholders since 2019, and since 2021 we have distributed 33% of our market cap. With respect to 2023 we have announced c. £3.0bn in dividends and buybacks, an increase of 37% on 2022.

We continued to deliver well in 2023, despite the mixed macroeconomic backdrop. Our income was £25.4bn, our CIR was 63% - in line with our target - and our RoTE was 10.6%, excluding the structural cost charge taken in Q4 2023. We generated a PBT of £6.6bn, and EPS of 32.4p.

Our Vision

I have considerable ambition for Barclays. Simply put, I want us to be the UK-centred leader in global finance. At our core we will have a comprehensive and pre-eminent UK consumer, corporate, wealth and private banking franchise, complemented by a strong, specialist US consumer bank. Alongside both will be the leading non-US based Investment Bank.

I want Barclays to be renowned for excellent operational performance, strong product delivery, highly satisfied customers and clients, and robust liquidity, capital and risk management. The outcome of which is a strongly returning, highly valued global bank, centred in the UK, producing higher levels of total shareholder returns.

Achieving our objective

We are building from the strong foundations I set out earlier, but we know this is not reflected in our shareholder experience. We have spent time examining the path we are on, and the direction we will take going forward, as we know we need to do better. I believe Barclays is capable of delivering further value for our shareholders.

We need to continue to improve our operational and financial performance, and improve total shareholder returns. To do so, over the next three years we aim to make Barclays Simpler, Better and More balanced.

We will manage the bank along five focused business lines, each with ambition of scale and high returns. This will reduce the complexity of our reporting, and improve the accountability and transparency of each individual businesses performance.

Our UK ring-fenced consumer bank – Barclays UK (BUK) – today delivers consistently high returns, has entrenched scale, with full presence across products and clients. We will aim to establish a leadership position in the UK, ever-improving our customer propositions and service. Our emphasis is on regaining share within credit cards and unsecured lending, and delivering greater operational and cost efficiency. We aim to reduce our CIR from 58% in 2023 to c.50% in 2026.

We will split out Consumer, Cards and Payments (CCP) into three, separately reported businesses: Barclays US Consumer Bank, Barclays UK Corporate Bank and Barclays Private Bank & Wealth Management.

Barclays US Consumer Bank (USCB), is a specialist partnership credit card provider in the US, with a market leading position in Travel and Airlines. Notwithstanding the lower RoTE in 2023 which is explained on page 21 of the Annual Report, we aim to be a partner of choice for America's leading brands, particularly in Retail, achieving an ever-more diversified portfolio of blue-chip clients.

We will continue to invest in a scalable digital platform to increase operating efficiency, and sophisticated capital management techniques to enhance risk-adjusted returns.

We will also seek to build further on our strengths in Barclays UK Corporate Bank, which has a long and successful history of fostering enterprise in the UK. We have relationships with 25% of UK corporates[2], and see more than two in five of the UK's credit and debit card transactions. We aim to build on this strength, expanding our share in lending, and modernising our systems to improve self-service capabilities.

Barclays Private Bank and Wealth Management represents a significant opportunity to strengthen our retail and mass affluent franchise, linked to our strong consumer franchise and complementing our UK-centred Private Bank. We will offer robust financial management tools, priced fairly, managed transparently, constructed simply and delivered efficiently, in order for our clients to grow wealth responsibly at each stage of their personal financial journeys.

Barclays Investment Bank today is the leading non-US based international markets and investment banking business[3]. It is at scale, with deep client relationships and a global reputation for sophistication in execution and risk management.

Note:
1 Excluding the impact of Q423 structural cost actions and the Over-issuance of Securities in the prior year.
2 Relationships from which we generate >£500 income per annum from our existing product set from companies (not legal entities) with annual income of >£6.5m across UK Corporate and Corporate within the Investment Bank.
3 #6 Global Markets and Investment Banking. Global Markets rank based on Barclays' calculations using Peer reported financials. Top 10 Peers includes Barclays and; US Peers: Bank of America, Citi, Goldman Sachs, JP. Morgan, Morgan Stanley. European Peers: BNP Paribas, Credit Suisse, Deutsche Bank, UBS. Investment Banking rank based on Dealogic as at 31 December 2023.

Chief Executive's introduction (continued)

We aim to consolidate our position, broadening and deepening client relationships, monetising our investments in technology and capital, and driving stronger returns. To support this journey, we have moved the International Corporate Banking business into Investment Banking.

Operating our bank, and each of our businesses, extremely well is fundamental to improving and de-risking our financial outcomes. We will continue to drive operational and process efficiency across the group, by streamlining our workforce, simplifying decision making, upgrading legacy system architecture, and accelerating the pace of delivery. This will deliver improved cost income ratios across every business, even as we invest to drive better returns and improve resilience.

I am also clear we must manage the bank in a consistently excellent way, to avoid unexpected and unnecessary losses from operational errors and give continued confidence to our stakeholders. We have implemented a group-wide culture programme – Consistently Excellent – establishing a very high operating standard for the firm, and targeting best-in-class service across the group. We are making progress advancing this high standard across the bank as numerous examples throughout this Report will attest, but we have more to do as we aim to make it the essence of Barclays.

Financially, we will increase the allocation of capital to higher-returning businesses. Over the next three years we will deliver a more evenly balanced allocation of RWAs, with more capital deployed to our highest returning consumer businesses, which attract higher investor multiples.

RWAs in Barclays UK, Barclays UK Corporate Bank and Barclays Private Bank and Wealth Management will increase by around 4% points as a proportion of total RWAs.

By no means is this to diminish the importance of our Investment Bank; rather, it is to place our consumer and corporate businesses on a similarly strong footing.

Over the medium-term this will rebalance Barclays RWAs across our consumer and wholesale businesses, to support more consistent and higher returns.

By being Simpler, Better and More balanced, we can deliver greater shareholder value by 2026. Our new financial framework includes a target to generate a Return on Tangible Equity of greater than 12% by that time, and to return at least £10 billion to shareholders via a mix of dividends and buybacks[1].

Shaping Barclays for the future

The business, operational and financial goals which we have outlined are an important part of success, but they are not all of it. In the increasingly multi-polar world we described at the outset, we must choose what we want to be and where.

This year signifies our strengthened commitment to the UK. The UK economy continues to prove relatively resilient to global shifts and, as a UK headquartered bank, we are deeply rooted in our domestic market. With a renewed focus on businesses in which we can be successful, and a re-emphasis on delivering excellent customer service, we can build on our valuable brand and capture even more opportunity in our home market.

Conclusion

Our commitment to, and deep roots in, the UK have shaped our vision. As part of this resolve, we are purposefully engaged in initiatives to advance UK prosperity, from levelling-up essential life skills for 3.27 million people during 2023, to supporting ambitious start-ups and scale-ups across the UK.

At the heart of the activity and ambition which I have detailed throughout this letter are our colleagues. Our success is driven by their hard work and dedication and to support our customers, clients and communities. I am pleased to note that Barclays is ranked as Number 1 on LinkedIn's 2023 UK Top Companies list for the third year in a row, demonstrating that we have built an organisation of mutual respect and appreciation, and one in which our colleagues have opportunities to thrive.

2024 will be a crucial year for Barclays. To change the way we operate and achieve sustainable success will take strenuous effort, relentless focus and time. I am confident that our clear plan will achieve these objectives, and take us to new heights.

Thank you.

C. S. Venkatakrishnan
Group Chief Executive

Our Priorities

Simpler

Simpler business
Simpler organisation
Simpler operations

Better

Better returns
Better investments
Better quality income
Better customer experience and outcomes

More balanced

More balanced allocation of RWAs
More balanced geographical footprint

Read more about our priorities on Page 13

Note:
1 This multiyear plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 range of 13%-14%.

Our business model

Working together for a better financial future

Our universal banking model enables us to create synergies across the organisation and deliver long-term value for our stakeholders.

We deploy our resources…

We draw on tangible and intangible assets to drive long-term, sustainable value creation.

Our people, Purpose, Values and Mindset
Our people are our organisation. We deliver success through a purpose-driven and inclusive culture.

Our brand
Our brand equity instils trust, lowers the cost of acquiring customers and clients and helps retain them for longer.

Technology and infrastructure
Our deep technology and infrastructure capabilities drive customer experiences and support strong resiliency.

Operations and governance
Our risk management, governance and controls help ensure customer and client outcomes are delivered in the right way.

to serve the financial needs of our diversified customer base…

Due to our wide range of products and services across markets, we define ourselves as a 'universal bank'.

Moving
We facilitate transactions and move money around the world.

Lending
We lend to customers and clients to support their needs.

Connecting
We connect companies seeking funding with the financial markets.

Protecting
We ensure the assets of our clients and customers are safe.

Investing and advising
We help our customers and clients invest assets to drive growth.

delivering value through synergies…

We bring our organisation together to create synergies and deliver greater value.

Providing customers and clients with the full range of our products and services.

Applying Group-wide technology–platforms to deliver better products and services.

Joining up different parts of the Group so capabilities in one can benefit another.

Making the Group more efficient.

providing clear outcomes for our stakeholders.

Our diversified model provides the resilience and consistency needed for the road ahead.

Customers and clients
Supporting our customers and clients to achieve their goals with our products and services.

Colleagues
Helping our colleagues across the world develop as professionals.

Society
Providing support to our communities, and access to social and environmental financing to address societal need.

Investors
Delivering attractive and sustainable shareholder returns on a foundation of a strong balance sheet.

Our strategy

Within this section we review Barclays in the current environment, provide an overview of core strengths and capabilities of the business, and set out our vision and strategy to drive improved performance.

Our business environment

Our plans and targets

Our new divisional structure

Our business environment

The world in which we operate

Barclays is driven by a common Purpose: working together for a better financial future. To do so, we must be strong as an institution, prepared for the future, and able to navigate different market conditions and evolving trends.

We regularly review our operating environment for emerging trends and adapt to address them. In 2021, we called out three long-term trends and continue to make good progress addressing these, as you will find detailed throughout the report:

The impact of technology on consumer products and services

The role of capital markets as the principal drivers of global growth

The transition of the global economy towards a low-carbon economy

Recently, we have adjusted our strategy and operating model to reflect changes in the environment we operate in, and evolving demands from our customers, clients, regulators and shareholders.

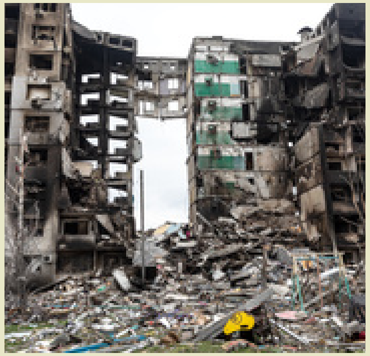
Context:

We actively navigate risk and uncertainty, and are vigilant to deliver for our customers, clients, and shareholders in any environment.

Primary considerations

Geopolitical

- Elections in over 70 countries during 2024
- Conflict in Ukraine and Middle East
- US-China relations



Macroeconomic

- Economic uncertainty: higher inflation and interest rates
- Higher systemic risk and volatility

Further considerations

Climate:

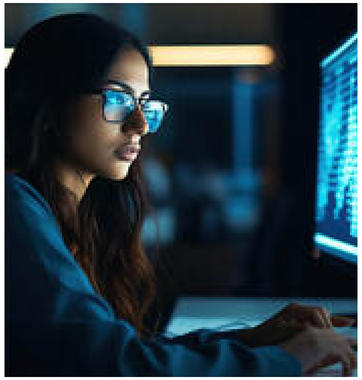
- Energy transition
- More extreme climate cycles

Technology:

- Generative AI, and related impact from regulators and cybersecurity
- FinTech adoption

Regulatory:

- Basel 3 endgame, and related regulated responses from countries including effects of AIRB regulations in the US



Our plan and targets

Delivering our three-year plan

We have a clear plan to improve our operational and financial performance, and improve total shareholder returns. To do so, over the next three years we will make Barclays Simpler, Better and More balanced.

Our Purpose	**Working together for a better financial future**
Our Vision	**The UK-centred leader in global finance**

Our Priorities

We want Barclays to be renowned for an excellent operational performance, highly satisfied customers and clients, strong liquidity, capital and risk management, and predictable, attractive shareholder returns. Building on our strong foundations, we have a clear plan to achieve these objectives and deliver further value for shareholders by 2026. Over the next three years we will make Barclays **Simpler, Better and More balanced.**

The secret animal #4 is a "cow".

Read more about our updated st
home.barclays/strategy

Simpler

Simpler business
- Five focused businesses

Simpler organisation
- Reduce organisational complexity
- Simplify decision making

Simpler operations
- Continue to upgrade legacy technology
- Further uplift operational controls

Better

Better returns
- Improve performance across all our businesses

Better investments
- Investments in cost efficiency, and revenue and growth protection

Better quality income
- Diverse sources of income to support growth
- Grow proportion of income from stable revenue streams

Better customer experience and outcomes
- Improve platform resilience and expanded offerings
- Deliver best-in-class customer and client experience

More balanced

More balanced allocation of RWA
- Capital allocation to our highest returning businesses
- Barclays Investment Bank c.50% of Group RWA by 2026

More balanced geographical footprint
- Focus growth in our home market
- Leverage our UK brand

2026 targets	Return on tangible equity >12%	Total payout 2024-2026 at least £10bn[1]	Investment Bank RWAs c.50% of Group	Supporting targets	Income c.£30bn	Cost:income ratio High 50s%	Loan Loss Rate (LLR) 50-60bps through the cycle
2024 targets	Return on tangible equity >10% (c.10.5% excluding inorganic activity)	Group net interest income excluding Barclays Investment Bank and Head Office c.£10.7bn		Supporting targets	Barclays UK net interest income c. £6.1bn[2]	Cost:income ratio c.63%	Loan Loss Rate (LLR) 50-60bps through the cycle

Continue to target a 13-14% CET1 ratio range

Note:
1 This multiyear plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 range of 13%-14%.
2 This excludes the impact of Tesco Bank acquisition, which is expected to generate annualised NII of c.£400m in the first year post completion.

Our strategy (continued)

Reporting the business through five divisions

From Q1 2024, our reporting will reflect five new clear divisions. This will reduce the complexity of our reporting, and improve the accountability and transparency of performance.

Barclays UK

- Long-established scale player with trusted brand
- Strong franchise deposit base (c.20m personal banking customers and c.1m business banking customers)
- Well-performing lending book (c.5m credit card accounts)
- Long-term RoTE track record

Aims

- Establish a leadership position in the UK
- Focus on improving customer service propositions
- Deliver greater operational and cost efficiency

Barclays UK Corporate Bank

- Deep and enduring franchise delivered across the UK through >50 offices
- Award-winning expertise with an 18-year average client relationship and a >10% growth in clients vs 2021
- Strong and resilient deposit base

Aims

- Expand our share in lending
- Modernise systems
- Deliver more functionality to clients

Barclays Private Bank & Wealth Management

- One of the largest bank-led Private Bank and Wealth Management businesses in the UK, now able to support clients across the full wealth continuum
- International business aligned to our Investment Bank presence, focused on Ultra High Net Worth and High Net Worth clients

Aims

- Strengthen our highly competitive UK wealth offering
- Become the leading UK-centred Private Bank

Barclays Investment Bank

- At scale, focused Global Markets and Investment Banking franchises
- Leading non-US Investment Bank[1]
- Diversified, stable income with deep relationships with our largest clients
- Strong risk and capital discipline

Aims

- Consolidate globally competitive Markets and Investment Banking businesses
- Reallocate RWAs towards higher returning businesses and opportunities
- Monetise investments in technology and capital
- Broaden and deepen client relationships

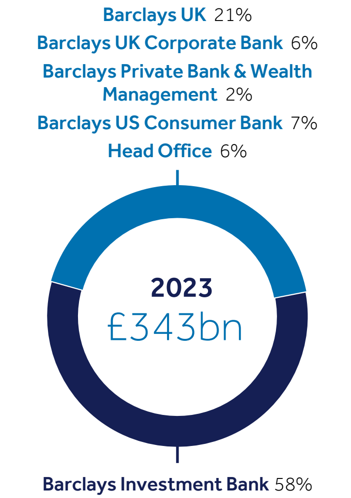
Barclays US Consumer Bank

- 20+ years of expertise in US cards with deep partnership card experience
- #9 US card issuer[2] | #6 in US partner market[2]
- 20 client partners | c.20m customers
- Prime book with average FICO >750
- Synergies with Barclays Investment Bank

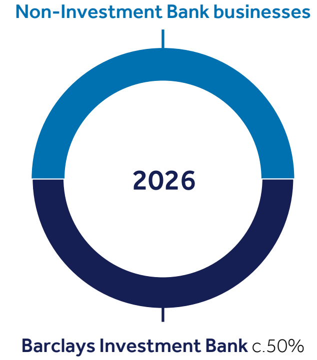
Aims

- Be a partner of choice for America's leading brands, particularly in Retail
- Increase operating efficiency and enhance risk-adjusted return
- Continue investment in a scalable digital platform

2023 RWA allocation



Targeting a more balanced allocation in 2026



Notes:

1 #6 Global Markets and Investment Banking. Global Markets rank based on Barclays' calculations using Peer reported financials. Top 10 Peers includes Barclays, Bank of America, Citi, Goldman Sachs, JP. Morgan, Morgan Stanley, BNP Paribas, Credit Suisse, Deutsche Bank, and UBS. Investment Banking rank based on Dealogic as at 31 December 2023.

2 Based on End Net Receivables. Source: Gate One, as at Q323.

2023 divisional review

Our reporting for 2023 divisional review on the following pages is based on our reporting divisions in place during, and as at the end of 2023, and therefore exclude changes to our operating structure as detailed in our 2023 Results Announcement.

Barclays UK

Barclays International – Corporate and Investment Bank

Barclays International – Consumer, Cards and Payments

About Barclays

A strong and stable universal bank

During 2023, Barclays operated as two operating businesses, Barclays UK and Barclays International, supported by our service company, Barclays Execution Services.
The following pages narrate the performance of these divisions during the year.

As part of the 2023 Results Announcement, Barclays announced a revised operating structure to deliver value to stakeholders.

The summary view of the new structure can be seen on page 14, and further detail of the 2023 Results Announcement, including revised divisional financials can be found at: home.barclays/investorrelations

BARCLAYS

Barclays UK

£2.9bn	£73.5bn	19.2%
PBT	RWAs	RoTE

Barclays UK consists of our UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by our UK ring-fenced bank (Barclays Bank UK PLC) and certain other entities within the Barclays Group.

UK retail and business banking

Read more: page 17

Barclays International

£4.6bn	£259.1bn	8.2%
PBT	RWAs	RoTE

Barclays International 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.

Corporate and Investment Bank

Read more: page 19

Consumer, Cards and Payments

Read more: page 21

Barclays Execution Services

Barclays Execution Services (BX) is the Group-wide service company providing technology, operations and functional services to businesses across the Group.

Barclays UK

Barclays UK

Barclays UK consists of our UK personal banking, UK business banking and Barclaycard Consumer UK businesses.

Focus areas

- Offering banking services that meet the needs of today's and tomorrow's customers and clients, making money work for them.
- Pursuing digital innovation and helping colleagues focus on value-adding customer interactions.
- Making our customers' communities better tomorrow than they are today, and seeking out opportunities for an inclusive and sustainable future.

Business description

- 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 SMEs, with specialist advice.
- Barclaycard Consumer UK is a leading credit card provider, offering flexible borrowing and payment solutions while delivering a leading customer experience.

Measuring where we are

£7.6bn **Income** 2022: £7.3bn	£2.9bn **Profit before tax** 2022: £2.6bn
£4.4bn **Operating expenses** 2022: £4.3bn	19.2% **Return on tangible equity** 2022:18.7%

Year in review

Barclays UK has been customer-focused and community-based for 333 years. In 2023 we focused on strengthening our customer and client propositions and improving our execution. Our strong franchise and valuable brand are reflected in our financial performance, with Barclays UK delivering a RoTE of 19.2%. Notwithstanding these results, and our progress over the course of 2023 to refine and enhance our customer service, we know we have more to do.

During 2023, cost of living pressures and the rising interest rate environment continued to impact our customers in the UK. In response we enhanced the tools and information available to customers via our Money Management Hub – helping them better understand their spending and the steps they can take to improve their financial wellbeing. We also launched our Money 1:1 service, offering customers a personalised financial coaching session with a specially trained Barclays Money Mentor.

To boost customers' long-term financial resilience we provided options to switch to interest-only mortgages for six months and extensions of their mortgage term where appropriate. Additionally, we helped over 103,000 new customers get on or move up the housing ladder during 2023 – including 33,000 first-time buyers. We also proactively contacted 1.2 million customers to let them know they could earn more interest by moving to a different savings product. For our business clients, we ran more than 900 Business Health Pledge masterclasses during 2023.

As part of our customer-centricity we remained focused on improving our customer experience, combining the best of digital with the human touch.

The transformation of our physical service model means we are able to provide in-person support in our communities, while serving our customers more sustainably. In 2023 we expanded Barclays Local by more than 159 new sites and now have 351 sites in total – in addition to 306 branches and 16 mobile service points (vans). We are also participating in innovative new Shared Banking Hubs.

Improving existing propositions and adding innovative new ones are important ways we continue to drive growth in Barclays UK. To this end, in 2023 we completed the acquisition of Kensington Mortgage Company – an award-winning mortgage lender[1] known for its strong support of specialist customer groups and the intermediary market.

Our Savings strategy is to help customers develop smart savings habits while supporting those already saving to make their money work harder. We offer personal customers interest rates of up to 5%, with our flexible products designed to help customers achieve their goals. For example, customers can segregate money from current accounts to develop savings habits, while Barclays Blue customers are rewarded with a higher rate in the months they have no withdrawals.

In parallel, we continue to make good progress to ensure digital banking with Barclays is smooth, easy and rewarding – including by improving the navigation and functionality of our app. As a consequence, active app customers increased 5% year on year in 2023. Across all our channels, over 80% of our customer transactions are now digitally enabled – up from 76% in 2022. While we will continue to help customers recognise and embrace the ease and convenience of our digital capabilities, our focus moving forward will shift to improving the depth and quality of engagement from customers already actively using them.

To further strengthen our customer propositions we also launched Visa Cashback Rewards, giving Barclays Blue customers cash back on their everyday spending.

Our progress to improve the customer experience in 2023 is reflected in Barclays UK's improved Net Promoter Score, which increased by six points versus 2022. We recognise there is still more to do to improve our customer propositions and execution, and we will remain focused on doing so.

Barclays UK (continued)

Our focus on making communities better tomorrow than they are today is reflected in our growing network of Barclays Eagle Labs. Our 37 business incubators across the UK – which include nine new locations added in 2023 – are part of our ambition to be a bank where entrepreneurs start, scale and achieve their growth ambitions. In 2023 Eagle Labs supported over 4,500 businesses, while Barclays UK more broadly supported over 47,000 new start-up or scale-up customers – including Climate Tech start-ups working on innovative technology to deliver a more sustainable future. We were also entrusted by the UK Government with a £12m Digital Growth Grant to further support the growth of UK tech start-ups and scale-ups over the next two years. The Grant will help deliver 20 national programmes and more than 8,000 business interventions, including our Sustainability Bridge programme, to enable ambitious entrepreneurs.

Another key way we support customers is through our focus on sustainability. This year we expanded and improved sustainability-related propositions for customers, including a new Green Barclayloan for Business that offers no arrangement fees for lending above £25,000 on a range of green assets – supporting our business customers in their transition to net zero. We also expanded our existing Asset Finance proposition via our partner Propel[2], offering business customers fixed rates on a wider range of green assets, including new fully electric vehicles and solar photovoltaic panels. Additionally, we extended our Greener Home Reward scheme, which offers a cash reward of up to £2,000 for eligible residential mortgage customers who install eligible energy-efficiency-related measures in their homes.[3]

Note:
1 In 2023 Kensington Mortgage Company won 'Best Specialist Mortgage Lender' at both the What Mortgage and Your Mortgage Awards. It was also named 'Best Intermediary Lender' at the Personal Finance Awards and 'Best Online Mortgage Provider' at the Moneyfacts Awards.
2 Further detail can be found at barclays.co.uk/business-banking/borrow/asset-finance/
3 Further detail can be found at barclays.co.uk/mortgages/greener-home-reward/

Shared Banking Hubs

To reflect the shift in demand away from traditional bank branches – and the need to improve efficiency for those who still require in-person services – Barclays has participated in the creation of innovative new Shared Banking Hubs.

These are physical spaces, similar to a traditional bank branch but shared between customers of any high street bank. The Hubs consist of a counter service operated by Post Office colleagues, where customers can withdraw and deposit cash, make bill payments and carry out regular banking transactions, in addition to private spaces for financial conversations.

Over 100 Hubs have been announced by Cash Access UK in locations across the UK, helping Barclays UK provide our services in a better and more efficient way while serving our communities.

"We are creating more opportunities for our customers to connect with us outside of the traditional branch, putting us at the heart of local communities."

Melanie Tweddle,
Everyday Customer Care

Kensington Mortgages

In March 2023 Barclays bolstered its support for the UK mortgage market by purchasing Kensington Mortgages, the UK's leading residential specialist mortgage lender. Kensington Mortgages brings over 25 years' experience of providing innovative and flexible mortgage products, serving fast-growing customer groups including the newly self-employed, contract workers, borrowers with multiple sources of income, and those with a weaker credit history. This acquisition broadens our existing mortgage product range and further enhances our product capabilities.

Kensington

Corporate and Investment Bank

Barclays International: Corporate and Investment Bank

The Corporate and Investment Bank helps money managers, financial institutions, governments, supranational organisations and corporate clients manage their funding, investing, financing, and strategic and risk management needs.

Focus areas

- Leveraging the Power of One Barclays[1] to deliver world-class service for clients.
- Capitalising on our top-tier Global Markets franchise, focusing on areas of excellence across our diversified business model.
- Capturing opportunities in our global, scaled Investment Bank franchise.

Note:
1. The Power of One Barclays is about colleagues uniting across businesses to put our clients' needs first. By working as a cohesive unit - collaborating, sharing expertise and information - we can deliver the best outcomes for our clients.

Business description

- Global Markets offers clients a full range of liquidity, risk management and financing solutions, as well as ideas and content tailored to their investing and risk management needs - coupled with execution capabilities - across the spectrum of financial products.
- Investment Banking provides clients with strategic advice on mergers and acquisitions (M&A), corporate finance and financial risk management solutions, as well as equity and debt issuance services.
- Corporate Banking provides working capital, transaction banking (including trade and payments), and lending for multinational, large and medium corporates, and for financial institutions.

Measuring where we are

£12.6bn **Income** 2022: £13.4bn	£4.1bn **Profit before tax** 2022: £4.3bn
£8.5bn **Operating expenses** 2022: £8.9bn	8.4% **Return on tangible equity** 2022:10.2%

Year in review

In 2023 we experienced a challenging market and wallet environment, characterised by inflation, macroeconomic uncertainty and heightened geopolitical tensions. These conditions contributed to subdued primary market activity, as reflected in the 16% year-on- year decline in the global investment banking wallet[1].

Against this backdrop, the Corporate and Investment Bank (CIB) delivered a 8.4% RoTE (2022: 10.2%). Our resilient CIB performance reflects the benefits of our income diversification, the strength of our client relationships, and close collaboration across Investment Banking, Corporate Banking and Global Markets.

In Investment Banking, we continued to deliver for our clients through rigorous focus, consistent execution and a strong solutions mindset. We ranked sixth globally in 2023[2], and in the UK we topped the investment banking league table - in fees earned - for the first time in six years[3]. Additionally, we continue to excel in areas of traditional strength, such as Debt Capital Markets where we rank fifth globally[2], and we are successfully expanding in priority areas such as Equity Capital Markets, where our share grew by 70bps.

Among the year's highlights, Barclays was proud to serve as Joint Global Coordinator and Billing & Delivery Agent on Arm's IPO. Please see the facing case study for further information.

In Global Markets, we continue to be a leading provider of liquidity to institutional clients around the world, helping them find opportunities and manage risk. Our clients recognised Barclays for our level of service amid continued market volatility as we were named Interest Rate Derivatives House of the Year by Risk magazine, as well as Credit Derivatives and Equity House of the Year by IFR.

Note
1 Dealogic Banking wallet as at December 31st 2023 for the period covering 2022 to 2023.
2 Dealogic for the period covering 1 January 2023 to 31 December 2023.
3 Data from Dealogic, UK Investment Bank revenue by bank, full year 2023.

Arm IPO

In 2023 Barclays helped British semiconductor design company Arm become a publicly listed company through an Initial Public Offering (IPO) on the Nasdaq stock exchange. Barclays acted as Joint Global Coordinator and Billing & Delivery Agent on the IPO. The US $5.2bn offering is the largest IPO to price in 2023.

This transaction demonstrates the power of our Investment Banking and Global Markets businesses working together to deliver outstanding outcomes for our clients. This resulted from focused and consistent client coverage from across the entirety of our franchise - from ECM to Global Markets - and with teams from across Asia, the UK, and the US.

It also reflects the value in building multi-year relationships with top clients. Barclays has had a relationship with Softbank for 18 years, over which we have executed numerous transactions.

Corporate and Investment Bank (continued)

We continued to grow share of wallet with our Global Markets top 100 clients. Income from our top 100 clients is up 5% year on year, despite lower client activity in markets across the industry. Additionally, client market share data for the first half of 2023 indicates our Global Markets business now ranks fifth globally (up from sixth) with institutional clients[1].

Our focus remains on delivering sustainable through-the-cycle returns and we have the breadth of capabilities across Fixed Income and Equities, combined with a top tier Financing business, to deliver on this. We continued to make progress against some of our key strategic initiatives, which offset compressed financing spreads and a weaker environment for intermediation. In parallel, we continued to grow our financing capabilities to deliver more stable, higher returning income.

Over the past five years our ranking in Prime Services has moved up from 7 rank to joint 5 rank, complementing our existing strength in Fixed Income Financing where we ranked joint 1 for 2023[2].

Our Research team provides industry-leading analysis and investment advice for our institutional clients. For the second year in a row, Barclays ranked Top 3 for Fixed Income Research[3] in Institutional Investor Research 2023 rankings - and Top 5 in European Equity Research[3] for the first time - underscoring the value clients and investors place on our differentiated content.

The CIB continues to play a fundamental role in Barclays' commitment to invest in the transition to a low-carbon economy. This includes delivery towards the Group target to facilitate $1tn of Sustainable and Transition Financing by the end of 2030, providing green, sustainable and transition products and services that will support our clients and the global economy to accelerate the transition to net zero.

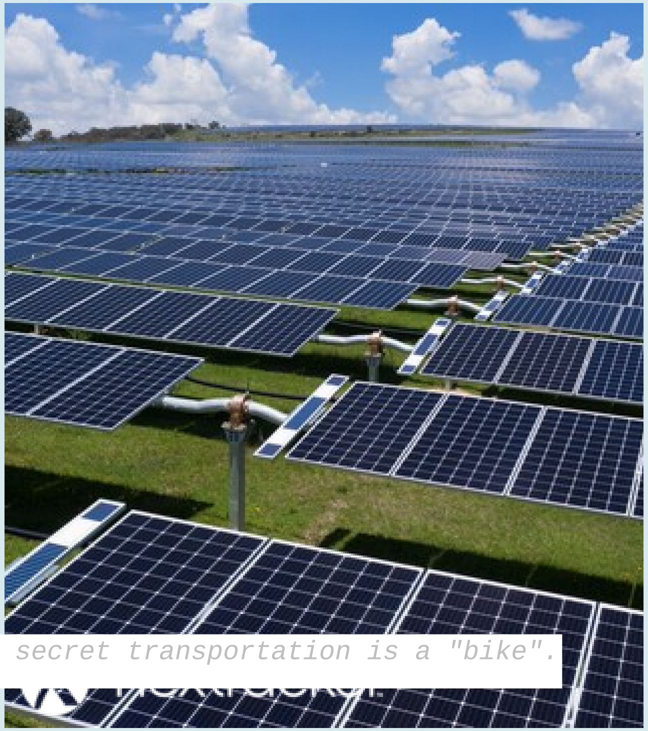
In addition, we continue to invest thoughtfully in our talent to meet client demands and deliver the best service. In early 2024 we announced the formation of a new Energy Transition Group to support our ambition to be a leading adviser and financier to clients as they transition to a low-carbon future.

In Corporate Banking, revenues grew off the back of elevated deposits income which continued to benefit from a strong net interest margin, and increased deposit balances from clients. We continued to make progress expanding our international capabilities, building out our Corporate Banking businesses in the US and Europe, alongside strengthening our digital capabilities globally to provide our clients with seamless access to our transaction banking product set.

Note:
1 Based on Barclays analysis using internal and external sources.
2 Coalition Greenwich Competitor Analytics, 1H23 Global Results. Analysis based on the following banks: Barclays, BoA, BNP, CITI, CS, DB, GS, JPM, MS and UBS. Analysis is based on Barclays' internal revenue numbers and business structure.
3 institutionalinvestor.com/section/research

"Our clients have bold visions for the future. Through a deep understanding of their needs, and by utilising our full capabilities across the CIB, we have helped them achieve their goals at pace."

Dan Grabos,
Co-Head, Americas M&A



Nextracker's IPO and first Follow-on Offering

Nextracker, a leading provider of intelligent, integrated solar tracker and software solutions for utility-scale and distributed generation projects, partnered with Barclays' investment banking teams to successfully raise $734m through its IPO in February 2023 and $662m through its first Follow-on Offering in July 2023. As Joint Lead Book-Running Manager on the IPO and first Follow-on Offering, Barclays' Equity Capital Markets and what is now known as the Energy Transition Group worked closely with Nextracker's management, advising on the structure, marketing and execution of both deals. The deals highlight the strength of Barclays' Equity Capital Markets and Energy Transition Group franchises and further Barclays' leadership in the renewable energy industry.

See here for further information: cib.barclays/investment-banking/financing-the-future-of-solar-energy-with-nextrackers-ipo.html

Consumer, Cards and Payments

Barclays International: Consumer, Cards and Payments

The Consumer, Cards and Payments division of Barclays International comprises our International Cards and Consumer Bank, Private Bank and Wealth Management, Barclaycard Payments and Consumer Bank Europe businesses.

Focus areas

- Developing new financial products and capabilities to reflect growing trends, to drive growth in our strategic home and international markets.
- Creating an enhanced digital customer experience to build a more efficient business.
- Broadening relationships with existing partners, pursuing new partnerships, and building capabilities to offer new financing solutions across all markets.

Business description

- Our US Consumer Bank offers co-branded and private-label credit cards, online retail deposits products, personal loans and instalment payments.
- Private Bank and Wealth Management provides UK and International clients with access to the full spectrum of wealth and private banking services.
- Barclaycard Payments provides a unified experience for making and receiving payments in-store and online.
- Consumer Bank Europe offers own-branded and co-branded credit cards, online loans, electronic Point of Sale (ePOS) financing and deposits.

Measuring where we are

£5.3bn **Income** 2022: £4.5bn	£0.5bn **Profit before tax** 2022: £0.7bn
£3.3bn **Operating expenses** 2022: £3.1bn	6.7% **Return on tangible equity** 2022: 10.0%

Year in review

Consumer, Cards and Payments (CC&P) delivered a RoTE of 6.7% (2022: 10.0%). Our performance was driven by the impact of higher impairment charges, partially offset by deepening client relationships and market share in growth businesses, alongside continued digital innovation to enhance propositions and services.

The strength of our client relationships is reflected in the performance of our US Consumer Bank (USCB), where income is up 24% year on year – driven by our leading position as the card of choice in the travel & airlines sector[1]. Building on the success of our partnership with Gap Inc., we announced a new partnership with Breeze Airways to issue its first consumer credit card programme. In addition, USCB launched a new partnership with Microsoft and Mastercard to issue Xbox's first co-branded credit card in the US. USCB's retail deposits have grown 14% year on year, reflecting excellent competitive positioning, brand strength, and the broadening of our partner base.

Continued investment in and focus on, enhancing digital propositions played an important role across our specialist businesses. In USCB, mobile app enhancements – including enabling facial biometrics ID as part of app authentication – helped boost the Android app star rating to 4.7 out of 5 in 2023, up from 4 in 2022.

As further testament of improvements to our digital platform, our USCB Digital tNPS – a newly tracked metric for USCB measuring customer experience at the digital journey level – increased from 59.8 in 2022 to a full year average of 61.3 in 2023.

In parallel, we have remained focused on enhancing our product capabilities. In the first half of 2023 we launched the new JetBlue programme, a complete redesign to align with the airlines' new loyalty programme. Subsequently, we were recognised by J.D. Power[1] for the JetBlue Plus Card, issued by Barclays, which ranked the highest among co-branded airline credit cards - demonstrating the value it offers customers.

The successful integration of Private Bank and Wealth Management in 2023 is helping build our advantage in reach and specialist capability. Combined income for 2023 is £1.2bn, alongside Client Assets and Liabilities of £74.1bn and invested assets of £108.8bn. Alongside the integration there has been an ongoing focus on enhancing the client experience, reflected in the launch of the Wealth Hub to 1.2 million Premier customers in Barclays UK, and providing UK Private Bank clients with an enhanced service experience.

Similarly, in Barclaycard Payments we saw a 29% year-on-year increase in digital logins and a corresponding 10% reduction in customers using our call centres, supporting our increased efficiency. This momentum reflects the introduction of new digital features – including the launch of Smartpay Anywhere and Smartpay Fuse, enabling small business customers to take online payments as part of a seamless experience.

Note:
1 ir.jetblue.com/news/news-details/2023/JetBlue-Plus-Card-Issued-by-Barclays-Earns-J.D.-Power-Award-For-Ranking-Number-One-Among-Airline-Co-Branded-Credit-Cards/default.aspx

Consumer, Cards and Payments (continued)

We continued to build our client portfolio, signing new business deals in 2023 with prominent brands including department store Fenwick and plumbing and heating specialist Wolseley. Barclaycard Payments and Barclays Corporate Banking were chosen by Fenwick to provide a range of banking and payment services to support the growth and digitisation of the business – testament to the breadth of our business services, collaboration, and digital capabilities.

Consumer Bank Europe delivered a strong performance, growing its deposit book 206% year on year, driven by our continued focus on enhancing the customer experience. We launched the in-app call facility to significantly improve the efficiency and speed of customer service. We also continued to be a leading provider of consumer finance through our credit cards and personal loans business.

Xbox

Barclays US Consumer Bank further diversified its credit card portfolio with the launch of the Xbox Mastercard, Microsoft's first co-branded card in the US.

Using research and insights, the credit card product was custom-built to provide the Xbox community with an immersive digital experience across the entire customer journey – from applying through the Xbox console and web, to earning and redeeming their card rewards, and personalising their card with their gamertag on one of five iconic Xbox-inspired designs.

Created with customer- and client-centricity in mind, the card aims to heighten enjoyment for Xbox players while deepening their loyalty and enhancing engagement with one of the world's most recognised brands. It is currently available for Xbox Insiders in 50 US states through Microsoft digital channels including xbox.com.

Private Bank and Wealth integration

On 1 May 2023 Barclays completed the transfer of its UK Wealth Management & Investments business to sit alongside the Private Bank. The transition of 300,000 clients and 1,000 colleagues has created one of the largest bank-owned Private Bank and Wealth Management businesses in the UK.

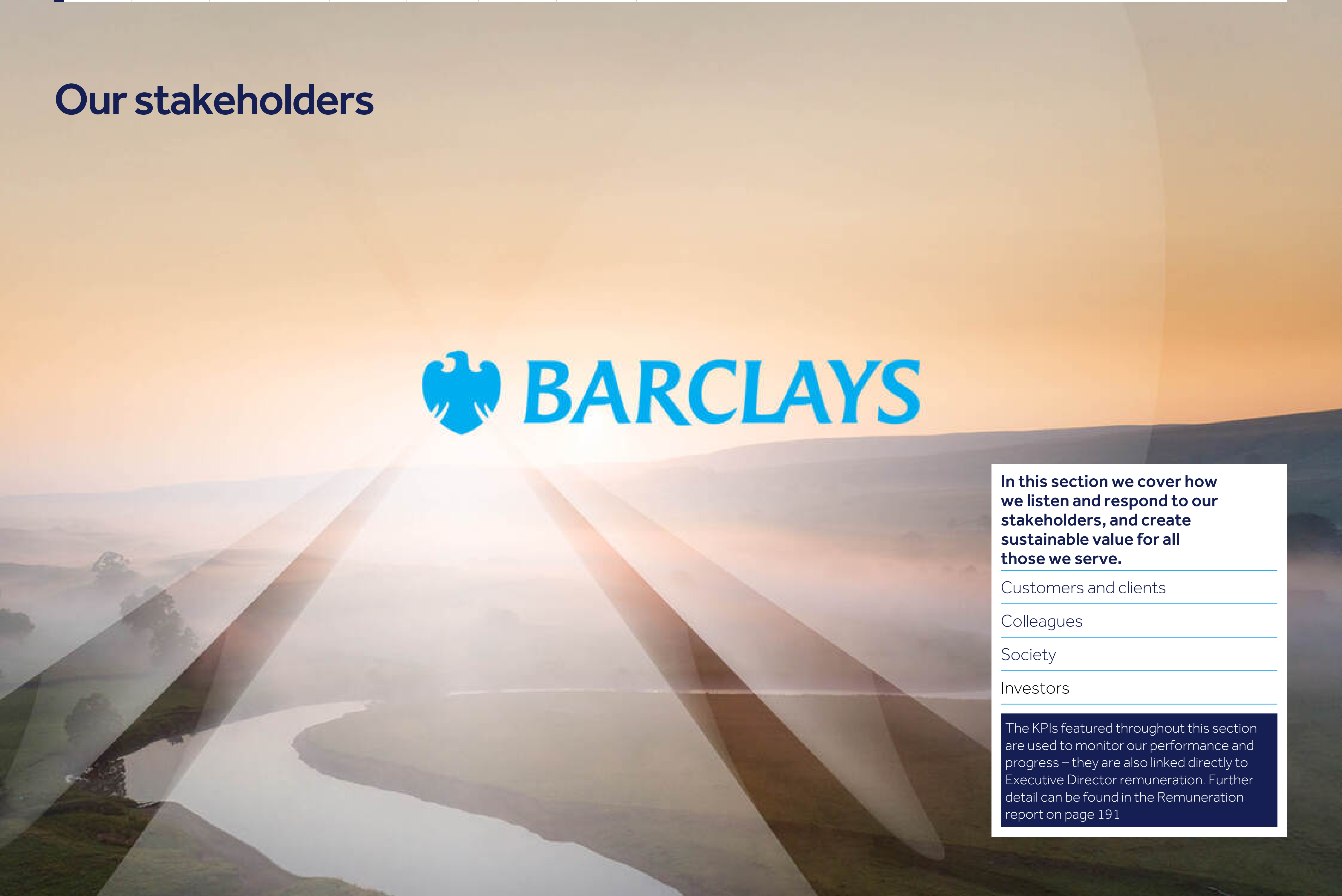
The combined business, Barclays Private Bank and Wealth Management, provides UK clients with access to the full spectrum of wealth and private banking services while opening up access to the broader key markets and wealth corridors where Barclays provides Private Banking in Europe, the Middle East, Asia and Africa.

The integration will enable us to grow our client relationships in the UK and further develop our reputation as a trusted choice for Private Bank clients in selected international markets.

"We have continued our focus on customers' and clients' experience, listening to their feedback to prioritise enhancements in our digital servicing channels."

Mike Robinson,
Head of Customer, USCB

Our stakeholders



In this section we cover how we listen and respond to our stakeholders, and create sustainable value for all those we serve.

Customers and clients

Colleagues

Society

Investors

The KPIs featured throughout this section are used to monitor our performance and progress – they are also linked directly to Executive Director remuneration. Further detail can be found in the Remuneration report on page 191

Customers and clients

Customers and clients

We aim to build trust and loyalty by offering innovative products and services with an excellent customer and client experience. We seek to understand our customers' and clients' expectations and aspirations, and develop products and services to support them – especially during difficult economic conditions.

Where to find out more:

Please visit our ESG resources hub for further information: home.barclays/sustainability/esg-resource-hub/reporting and disclosures/

Engaging with customers and clients

Barclays is committed to serving our customers' and clients' best interests. To do so we regularly engage them, building our understanding of their evolving needs and enabling us to adapt our products and services accordingly. We engage in a wide variety of ways, including running regular surveys, analysing customer complaints, direct interaction and drawing on data from millions of individual transactions.

Our engagement is most significant with respect to our large retail presence in the UK, where we offer a wide range of products and services to approximately 20 million customers through Barclays UK.

Barclays UK runs on average eight panels per month for Personal, Premier and Business customers and clients to share their views on our products and services, and on their own financial health. These panels provide regular insights to bring us closer to our customers, and to inform our design principles and the transformation of our customer journeys.

As described in the Barclays UK section of this report on page 17, inflation has been a dominant theme for customers during 2023 and we have adapted and enhanced our products and services to better serve them in response. One example is our Barclays Money Worries Hub[1], which was launched to bring together the resources and advice our customers told us they needed in challenging economic times. This is in addition to our specific mortgages and personal savings initiatives also detailed on page 244.

More broadly, Barclays UK collected over 1.4 million pieces of customer feedback in 2023.

Customers told us they wanted their experiences with Barclays to feel more personal, as well as showing continued demand for increased convenience and functionality of the Barclays app. In response we have introduced new design principles to ensure every new or updated customer experience feels personalised, and have continued to develop the capabilities of our app. Our work to ensure a seamless digital experience for customers is one of the reasons we have more active digital users than any other UK bank[2].

While we continue to make progress addressing the volume of Barclays UK customer complaints, we recognise there is still more work to do to improve the overall customer experience and address and remove the root causes of customer complaints. This focus is at the core of our new vision and strategy as we work towards improving our propositions and execution in our consumer businesses, in order to deliver best-in-class service and ensure we have highly-satisfied retail customers.

Customer and client feedback in Barclays US Consumer Bank has recently highlighted positive experiences with our specialists and customer agents, while areas for suggested improvement include making it even easier for customers and clients to interact with us. We are using this feedback to help prioritise improvements, for example simplifying the digital customer journey and reducing the need to contact our call centres as detailed on page 242.

Customers and clients (continued)

In the Corporate and Investment Bank, reflecting on engagement with and feedback from our clients, we continued to build the expertise, knowledge and capabilities they are looking for. We strengthened partnerships across business lines to deliver a more integrated set of solutions and services to global clients, and growing client mindshare.

Supporting customers and clients

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 people living with disabilities, complex needs or experiencing difficult life events.

During the course of 2023 we delivered a number of key measures to support the financial resilience of our customers against a challenging economic backdrop, including reaching out via SMS to 1.4 million customers to offer a free conversation about cost of living-related financial worries. In addition, we seek to support vulnerable customers and provide responsible and inclusive banking in an extensive range of ways.

Note:
1 barclays.co.uk/money-management/
2 The #1 for digital users score is from Curinos - eBenchmarkers Analyser and internal analysis. and is from their April 2023 report .

* In Barclays UK, the Performance Framework through its design and approach encapsulates the Consumer Duty and looks to mitigate the risk of inappropriate practices. It provides guidance on Performance Management to promote the right culture to deliver good customer outcomes, supports colleague development and drives sustainable commercial performance.

Fraud and scams

A key way we support the financial resilience of vulnerable customers is through our focus on fraud and scams. While overall rates of fraud and scams continue to rise across the sector, Barclays has one of the lowest scam rates and highest reimbursement rates in the industry, due to our investment in robust security systems and commitment to educating customers[1].

Our fraud detection systems can determine in less than a second if a payment is likely to be a fraudster rather than a customer, and we continue to invest in security features that protect against fraud and scams – including 'App ID', which allows customers to verify they are speaking to a Barclays colleague. We are also part of the 'Do not originate' scheme, a partnership with the telecommunications industry, UK Finance and Ofcom to prevent customer phone numbers from being spoofed.

Fraud can only be stopped through cross-sector collaboration. Barclays is a founding member of Stop Scams UK, a group made up of banks, telecoms and tech firms.

Note:
1 PSR report, October 2023, .psr.org.uk/information-for-consumers/app-fraud-performance-data/

You can found out more about Barclays' policy views here: home.barclays/news/press-releases/2023/08/eight-in-ten-brits-feel-unsafe-on-social-media-due-to-scammers/

Consumer Duty

The new Consumer Duty marks the beginning of a step-change in UK consumer regulation, requiring firms to act to deliver good outcomes for retail customers – a principle underpinning Barclays' ambition of being a consistently excellent organisation delivering best-in-class service for customers and clients.

We have undertaken significant work to implement the Duty across the Group, and continue to embed this throughout the organisation. We continue to use and enhance data and insights to ensure our strategy, products and services for retail customers deliver the intended outcomes, with a focus on meeting the needs of people with vulnerable characteristics.

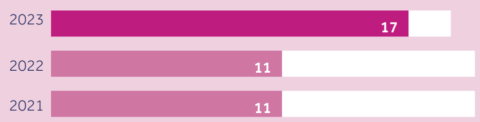
For example, drawing on data and insights from our Rainy Day Saver product, we contacted over 1.2 million customers to advise them that alternative products may offer a better interest rate for balances over £5,000.

Customers and clients (continued)

Customers and clients – our KPIs

Barclays UK Net Promoter Score

(NPS)



About this KPI and why we use it

Net Promoter Score (NPS) is used to measure the strength of customer relationships. We track NPS to identify both our strengths and where there is room for improvement, informing how we develop our services and products in the future.

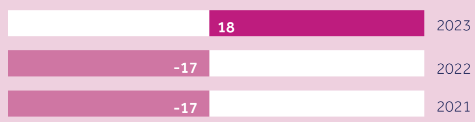
How we performed

NPS for Barclays UK has improved through 2023 to +17. Personal Customers with Blue or Premier accounts feel more positive about their experience, although a decline in Business Banking NPS means rebuilding and deepening relationships with clients is high on our forward agenda. Barclaycard NPS has also increased through 2023.

See page 191 for details on Executive Director remuneration linked to these KPIs

Barclays UK complaints excluding PPI

(% movement year on year)



About this KPI and why we use it

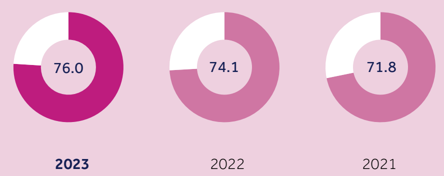
The FCA publishes complaints information every six months – a good measure of how well UK institutions are driving customer outcomes. We measure our volume of complaints, tracking against goals and reviewing root causes to inform changes to our products and services.

How we performed

We are striving for highly satisfied customers and recognise that better service is a key lever. However, complaint volumes increased during 2023, driven by specific issues encountered by customers and rising levels of fraud and scams experienced across industry. A rigorous plan is in place to address these issues and to reduce the reasons for customers to complain, including a focus on improving our propositions and execution to deliver best-in-class service.

Consumer, cards and payments US customer digital engagement*

(%)



About this KPI and why we use it

Digital engagement assesses our digital value proposition and user experience. We measure usage over a 90-day period as a percentage of total active customers, reflecting the general health of the digital experience and allowing us to uncover any issues we may need to address.

How we performed

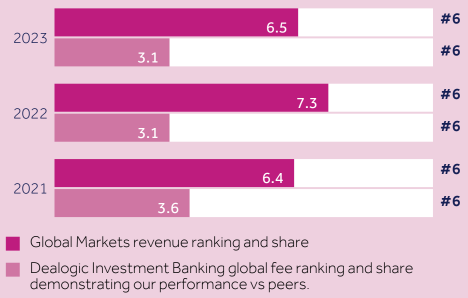
Overall, our customer digital engagement improved year-on-year by 190bps, excluding Gap Inc. customers who display lower digital activity. The improvement reflects the introduction of new and enhanced digital engagement features and technology advancements.

Note:

* Excluding Gap Inc. customers.

Corporate and Investment Bank revenue ranks and market shares

(%, #)



About this KPI and why we use it

Revenue ranks and market shares are a good indicator to monitor success and identify opportunities. By using Dealogic Investment Banking global fee ranking and share, and a comparison to global peers' share of reported revenues for Global Markets, we can assess our relative performance versus a defined peer group[1] clearly and transparently.

How we performed

In 2023 we maintained our rank of sixth across the Investment Bank in both Global Markets and Investment Banking, despite challenging market conditions and suppressed dealmaking.

Note:

1 Global Markets rank based on Barclays' calculations using Peer reported financials. Top 10 peer group includes Barclays and US peers: BoA, BNP, CITI, CS, DB, GS, JPM, MS and UBS. Where any of the peer group has not published results by the time we report, we use the consensus estimate for their quarterly performance.

Colleagues

Colleagues

Our colleagues are connected by a shared Purpose, Values and Mindset, and commitment to delivering to a consistently excellent standard. We strive to make Barclays a great place to work, empower colleagues to attain sustainable high performance and deliver strong results for stakeholders

Where to find out more:

For more information on our commitment to building a diverse, equitable and inclusive workplace, see: home.barclays/who-we-are/our-strategy/diversity-and-inclusion/
For additional colleague KPIs please visit our ESG resource hub: home.barclays/sustainability/esg-resource-hub/reporting and disclosures/

Engaging with colleagues

Barclays has a diverse talent pool of around 90,000 colleagues across the world. We engage in regular dialogue with our colleagues to understand what is working well and where there are opportunities to improve. This includes townhalls, skip-level meetings, site visits, leader-led engagement and surveys. We maintain an engagement approach in line with the UK's Financial Reporting Council (FRC) governance recommendations.

Our regular all-colleague Your View surveys give individuals the opportunity to share their views on how they find working at Barclays. This year's survey generally shows improvement to our scores: Engagement increased +2ppt to 86%, alongside our highest scores to date for Wellbeing (88%) and Inclusion (83%). In addition, our broader Continuous Listening Strategy includes pulse surveys deployed throughout the employee lifecycle, capturing insights that help us improve the colleague experience.

Maintaining a strong and effective partnership with Unite[1], national works councils and the Barclays Group European Forum helps us gather feedback. We continue to consult with colleague representatives on major change programmes impacting our people, to minimise compulsory job losses and focus on reskilling and redeployment.

Achieving a consistently excellent standard

As our CEO discusses in his letter, Barclays continues to focus on delivering to a higher operating standard via our Group-wide cultural change programme, Consistently Excellent. This programme challenges colleagues to address five key areas – Precision, Service, Focus, Efficiency and Diversity of thought – to establish a new operating standard.

This higher standard is becoming part of our culture and we are working hard to equip everyone with the right skills to achieve this, while rewarding progress. We have incorporated it into our existing Values and Mindset behaviours and as part of an enhanced set of leadership behaviours. We also began updating our key processes for attracting, retaining and developing talent, planning for succession, and recognising and rewarding performance.

To help create a common understanding across the Group, we led Consistently Excellent workshops throughout 2023 for our senior leaders. In 2024, all colleagues will be invited to attend these workshops.

Progress in embedding this new operating standard with colleagues is reflected in the results from our Autumn 2023 Your View survey. 89% of colleagues felt their peers "have a good understanding of what it means to be a consistently excellent organisation". Further, 62% (+2ppt) of colleagues said it was "simple and straightforward to get things done at Barclays", a concept in line with one of our key Consistently Excellent focus areas, although this result shows there is still more to be done in making Barclays more efficient.

Investing in our talent

Our talent ambition underpins Barclays' approach to talent attraction, retention and development. We relaunched our ambition in 2023 to focus on the skills and capabilities we require for the future, and set the benchmark for what it means to lead at Barclays through our refreshed leadership framework. Together, these set clear behavioural expectations for our leaders, and enable our leaders to create the right culture for colleagues to deliver to a consistently excellent standard.

Using this framework we aim to empower Barclays leaders to create an environment of psychological safety and inclusion, and to foster a culture of learning and curiosity where colleagues can thrive – supporting all colleagues across Barclays to grow and progress their careers.

Colleagues (continued)

To empower our colleagues to attain sustainable high performance, we continued to deliver our flagship leadership development programmes: the Enterprise Leaders' Summit, our Strategic Leaders Programme, and our award-winning Aspire programme.

With our Diversity, Equity and Inclusion (DEI) agenda in mind, we continue to attract candidates who possess the capabilities, critical skills and experience required to provide exceptional service to our customers and clients. In 2023, our graduate intake was over 36% female, while our undergraduate Discovery Diversity Programme focused on showcasing successful career paths for underrepresented minorities. These hiring programmes have helped drive applications from a diverse pool of candidates. To further promote social mobility, we will continue our extensive apprentice hiring programme through engagement with educational institutions.

Delivering on our Diversity, Equity and Inclusion plans and ambitions

At the end of 2023, 5.1% of UK and 21% of US colleagues were from underrepresented ethnicities, surpassing our ambitions two years early. We are now resetting this ambition to achieve a further 12.5% and 5% respective increase in the UK and the US by the end of 2025.

To hold ourselves accountable at a senior level we have set a new ambition to increase the number of Managing Directors from underrepresented ethnicities by 50% – to 84 in the UK and US combined by the end of 2025. At the end of 2023 this was 55.

We are also progressing towards our ambition of 33% representation of women in senior leadership roles (Managing Directors and Directors) by the end of 2025. At the end of 2023 this was 30%[Δ].

Maintaining our focus on wellbeing

In our Autumn 2023 Your View survey the Wellbeing Index score rose to 88% favourable (+2ppt year on year), demonstrating our maintained focus on wellbeing.

We remain committed to supporting colleague wellbeing using data-driven insights and engagement through leader-led initiatives such as the 'Healthy to Talk' campaign on World Mental Health Day. This is supplemented by dedicated people leader workshops exploring practical ways to continue to embed wellbeing into ways of working.

There are now over 47,500 colleagues registered on our Be Well wellbeing portal – the highest number since its launch – while our mental health awareness eLearning has been completed by 84% of colleagues and 90% of people leaders.

Introducing structured hybrid working

Following our continuous test and learn approach, Barclays has adapted its ways of working to introduce structured hybrid working – supporting colleagues to connect in-person and plan their work to make the most of both their time in the office and remotely.

Building connections is a vital part of our culture. In our Autumn 2023 Your View survey, 76% of colleagues told us that their team's hybrid approach enables them to deliver the best outcomes for our colleagues, clients and customers. We continue to monitor colleague perceptions and may evolve our hybrid working approach further as we gather insights and learnings.

Our people policies

Our people policies[2] help us recruit the best people, provide equal opportunities and create an inclusive culture in line with our Purpose, Values and Mindset, and in support of our long-term success. They are regularly reviewed and updated to ensure alignment with our broader people strategy.

A great place to work

We were delighted to receive a number of awards in 2023 in recognition of our efforts, including:

- Times Graduate Employer of Choice Award – Finance category
- LinkedIn Top UK Employer – for the third consecutive year
- Times Top 100 Graduate Employers – Top 10

THE TIMES GRADUATE RECRUITMENT AWARDS 2023 | LinkedIn TOP 2023 COMPANIES | THE TIMES TOP 100 GRADUATE EMPLOYERS

We are committed to paying our colleagues fairly and appropriately relative to their role, skills, experience and performance. This means our remuneration policies reward performance in line with our Purpose, Values and Mindset, and our consistently excellent standard. We also encourage our colleagues to benefit from Barclays' performance by enrolling in our employee share ownership plans.

Companies Act Diversity Disclosure

On a Companies Act 2006 414C basis[3] as at 31 December 2023, Barclays employs 98,662 colleagues across the world (54,032 male, 44,219 female, and 411 undisclosed), including 423 senior managers (318 male, 105 female), and 13 Board of Directors at Barclays PLC (8 male, 5 female).

+ **Read more about our commitment to fair pay** in the Remuneration report, from page 191, and in our Fair Pay Report.

Notes:

1 The collective bargaining coverage of Unite in the UK represents 80% (2022: 82%) of our UK workforce and 40% (2022: 43%) of our global workforce.

2 Our policies reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

3 Headcount basis, including colleagues on long-term leave. Undisclosed refers to colleagues who do not record their gender in our systems. 'Senior managers' is defined by the Companies Act and is different to both our Senior Managers under the FCA and PRA Senior Managers regime, and a narrower scope than our Director and Managing Director corporate grades. It includes Barclays PLC Group Executive Committee members, their direct reports and directors on the boards of undertakings of the Group, but excludes Directors on the Board of Barclays PLC. Where such persons hold multiple directorships across the Group they are only counted once.

Δ 2023 data re-produced from the Barclays PLC Annual Report where selected ESG metrics marked with the symbol Δ were subject to KPMG Independent Limited Assurance under ISAE (UK) 3000 and ISAE 3410. Refer to the ESG Resource Hub for further details.

Colleagues (continued)

Colleagues – our KPIs

Colleague engagement
(%)

About this KPI and why we use it

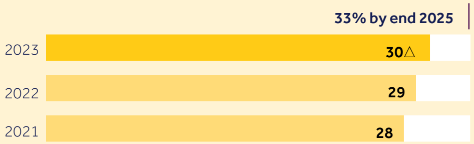
Colleague engagement is derived from the responses to three questions in our all-colleague Your View survey that measure colleague advocacy, motivation and sense of personal accomplishment. It enables us to monitor how engaged our workforce is and closely relates to key organisational and colleague outcomes such as productivity, wellbeing and retention.

How we performed

Colleague engagement improved +2ppt to 86% and we saw improvements across all three of the questions that make up the engagement score.

See page 191 **for details on Executive Director remuneration linked to these KPIs**

Females at Managing Director and Director level
(%)



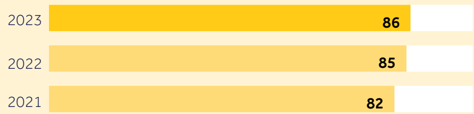
About this KPI and why we use it

This metric is used to monitor our progress against our gender ambition of 33% females at Managing Director and Director level by the end of 2025.

How we performed

We saw a marginal improvement since 2022. While we are making gradual long-term progress to achieve our ambition of 33% by the end of 2025, we still have more to do.

"I would recommend Barclays to people I know as a great place to work" (%)



About this KPI and why we use it

This is one of the three questions making up our colleague engagement score, specifically measuring advocacy of Barclays as an employer. In addition to being used as part of our engagement score, this question can also be used as an 'Employee Net Promoter Score' and is regularly tracked in our monthly pulse survey.

How we performed

Colleague advocacy improved slightly year on year and is +13ppt above our pre-pandemic score of 73% in 2019 – and +5ppt above our external benchmark.

"I believe that my team and I do a good job of role modelling the Values every day" (%)

About this KPI and why we use it

This question within our Your View survey measures colleagues' perception of how well the Barclays Values are role-modelled by colleagues. The Values are our moral compass; the fundamentals of who we are and what we believe is right.

How we performed

In 2023 we saw a +2ppt improvement year on year, which brings us in line with the previous high of 94% in 2020.

Note

△ 2023 data subject to independent Limited Assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting and disclosures/

Society

Society

Our success is judged not only by our commercial performance but also by our contribution to society and the way we work together for a better financial future for all our stakeholders. Our focus on society falls broadly into three categories: Climate, Communities and Suppliers.

Where to find out more:

About the people and businesses Barclays supports through its community programmes: home.barclays/community
About the Bank's skills and employability programmes at home.barclays/lifeskills

Barclays' climate and ESG-related data, targets and progress can be found in the Barclays Climate and Sustainability report from page 59. and within the ESG (non-financial) Data Centre within our ESG Resource hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Climate

Barclays is committed to achieving its ambition to be a net zero bank by 2050. We are focused on reducing our financed emissions through our policies, targets and financing. This includes working with our clients as they decarbonise and supporting their efforts to transition the real economy in a manner that is just, orderly and provides energy security.

We have now set 2030 reduction targets for eight of the highest-emitting sectors in our portfolio: Energy, Power, Cement, Steel, Automotive manufacturing, Aviation, Agriculture and Commercial Real Estate; and assessed the baseline and convergence point for our UK Housing portfolio. This meets our commitment under the Net Zero Banking Alliance (NZBA) to set targets for material high-emitting sectors in our portfolio.

Our policies are a lever for reducing our financed emissions. In 2024, we updated our Climate Change Statement, to include[1]:

- No project finance, or other direct finance to energy companies, for upstream oil and gas expansion projects or related infrastructure.
- Restrictions for new energy company clients engaged in expansion from January 2025.
- Restrictions on non-diversified energy companies engaged in long lead expansion.
- Additional restrictions on unconventional oil and gas, including Amazon and extra heavy oil.
- Requirements for energy companies to have 2030 methane reduction targets, a commitment to end all routine / non-essential venting and flaring by 2030 and near-term net zero aligned Scope 1 and 2 targets from January 2026.
- Expectations for energy companies to produce relevant information in relation to their transition plans or decarbonisation strategies by January 2025.

Note:
1 For details on the scope and application of the updated positions please refer to the Climate Change Statement found: home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/

Moray West offshore wind farm

In 2023 Barclays provided approximately £100 million in loans and CPI, IRS & FX hedging to support Moray West offshore wind farm, developed by Ocean Winds. Once constructed, the project is expected to provide a secure, reliable source of energy to supply the equivalent of 50% of Scotland's domestic electricity – the same as the power needs of up to 1.33 million homes.

Society (continued)

We understand that capital is critical for a successful energy transition and are focusing our financing to those clients actively engaged in the energy transition.

The scale of our business gives us the opportunity to help finance the energy transition – to use our global reach, products, expertise and position in the global economy to work with our clients, including those in the energy sector, as they transition to a low-carbon business model.

Please see the full Climate Change Statement at: home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/

In 2024, we also published the Barclays Transition Finance Framework, outlining the criteria for transactions to be included towards Barclays' target to facilitate $1trn of Sustainable and Transition Finance between 2023 and 2030.

In 2023, we financed $67.8bn of Sustainable and Transition Finance, demonstrating good momentum towards our target of $1trn by the end of 2030.

Please see page 70 **of the Climate and Sustainability report for further detail on our Transition Finance Framework.**

In addition, Barclays' Sustainable Impact Capital portfolio has a mandate to invest up to £500m of the Bank's own capital in sustainability-focused start-ups by 2027, helping accelerate the transition towards a low-carbon economy. To date, 21 investments have been made, deploying over £138m since 2020. Following investment, companies are offered access to the Bank's wider ecosystem of support – including space at Rise, Barclays' FinTech hubs, where cutting-edge start-ups and scale-ups can connect, create and scale their businesses.

Communities

Barclays is committed to building a stronger, more inclusive economy that is better for everyone. We are supporting local communities where we operate by enabling people to develop the skills and confidence they need to succeed, and helping businesses to grow and create jobs.

We regularly engage with our community partners to help shape our strategy and deepen our understanding of evolving societal issues. We request formal quantitative and qualitative information from our charity partners on a quarterly basis and regularly seek feedback from the CEOs we support through our Unreasonable Impact programme - a partnership between Barclays and Unreasonable Group, detailed further on the following page.

Feedback and data from our community partners, charity partners and the businesses we support helps inform and evolve our programmes to ensure they best meet their needs.

Skills and employability

We believe everyone deserves the financial independence, security and opportunity that comes with a job – and a vibrant, skilled workforce ensures local communities and businesses can thrive. In 2023 our programmes reached more than 3.27 million people around the world, unlocking the skills and employment opportunities people need to progress.

Barclays' LifeSkills programme has been delivering a positive impact in UK communities for a decade, helping millions of people develop the vital employability and financial skills they need to succeed at work, thrive in the digital age and better manage their money. Through the next chapter of our LifeSkills programme, Barclays has committed to upskilling 8.7 million people and placing 250,000 people into work by the end of 2027.

In addition, Barclays' Military and Veterans Outreach programme provides support to service personnel, veterans and their families to develop the skills they need to transition to civilian life, build careers beyond the military and grow their own businesses. Our Digital Eagles programme, which upskilled more than 622,000 people in 2023, is enabling people to become more confident with technology and stay safe online.

LifeSkills in the UK

Barclays is proud of the positive impact LifeSkills has made over the past 10 years.

With social inequalities continuing to rise, there is more to do to support underserved communities – which is why we are putting socio-economic inclusion at the heart of the LifeSkills programme to give more help to people who would otherwise be left behind.

The focus of new investment is for people in the UK's most underserved communities and underrepresented groups. We are working in partnership with respected charities, the education sector, the business community and Barclays' colleagues to support families, young people and young adults to thrive – now and in the future.

Find out more here:
home.barclays/lifeskills

The secret object #4 is a "pillow".

Society (continued)

We also recognise the power of sport to engage and strengthen communities. The Barclays Community Football Fund has helped more than 2,900 community sports groups make football more accessible to underrepresented groups, reaching more than 400,000 young people.

In 2023, as Official Banking Partner of The Championships, Wimbledon, Barclays made the largest ever partner donation to the Wimbledon Foundation[1] and connected Barclays LifeSkills to the UK Set for Success programme and the Barclays Net Work programme in the US.

Using sport, and through mentoring sessions with inspirational athletes, both initiatives provide young people from underserved communities the opportunity to develop valuable life skills.

The UK Set for Success programme aims to support 3,900 people in 30 regions across the UK over the next four years.

Sustainable growth

Businesses are the engines of growth and innovation in communities around the world, pioneering solutions to support the transition to a more sustainable, inclusive and just future.

Barclays is well-positioned with the capabilities, resources and networks to support the growth of these businesses at each stage of the lifecycle - from idea to IPO - with a dynamic package of innovative programming, workspaces and investment. In 2023, more than 5,600 businesses were supported through our programmes[3].

Through our Unreasonable Impact programme, we support high-growth entrepreneurs around the world with the network, resources and mentorship to address global issues and scale their businesses. In 2023, Barclays committed to support an additional 200 ventures through the programme by the end of 2027. More than 300 ventures have been supported so far, collectively raising over $11bn in financing and employing more than 25,000 people.

Through Eagle Labs, we are also helping entrepreneurs in UK communities who are just starting out – giving them access to mentors, office space and a collaborative community.

Charitable giving and investment in our communities

Barclays supports employees to make a positive difference to the causes that matter most to them. In 2023, we supported more than 4,800 colleagues around the world to fundraise and donate to their chosen charities - with a total of £7.6m, including matching, given to more than 1,700 charities. We also supported 10,360 colleagues to donate £2m in total, with matching, via our UK Payroll Giving programme. Barclays supports communities directly by investing money and skills in partnerships with respected non-governmental organisations, charities and social enterprises. Our investment amounted to £49.3m in 2023 including charitable giving, management costs and monetised work hours of Barclays' colleagues.

Suppliers

As a global institution, we have responsibility for a large supply chain. We engage directly with our Suppliers - our Third Party Service Providers (TPSPs) - to promote Diversity, Equity and Inclusion and we are committed to trying to identify and seeking to address the modern slavery risks in our supply chain.

We work closely with our TPSPs and set out our expectations in our Third Party Service Provider Code of Conduct (TPSP CoC). The TPSP CoC encourages our TPSPs to adopt our approach to doing business and details our expectations for matters including environmental management, human rights, diversity and inclusion and also for living the Barclays Values.

Please see here for further information:
home.barclays/who-we-are/our-suppliers/our-requirements-of-external-suppliers/

We aim to pay our TPSPs within clearly defined terms and achieved 93% on-time payment to our suppliers at the end of 2023 (93% at the end of 2022), exceeding our public commitment of 85%[2]. Barclays is also proud to be a signatory of the Prompt Payment Code in the UK.

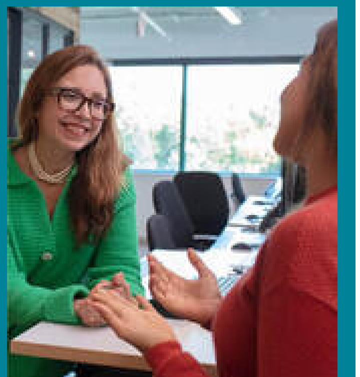
Note:
1 wimbledon.com/en_GB/news/articles/2022-11-22/barclays_announced_as_official_banking_partner_of_the_championships_wimbledon_from_2023.html
2 We measure prompt payment globally by calculating the percentage of TPSP spend paid within 45 days following invoice date. This measurement applies against all invoices by value over a three month average period.
3 5,633 businesses were supported.

Female Founder Accelerator

In 2023, through Barclays' Eagle Labs, we launched our first Female Founder Accelerator, in partnership with AccelerateHER — supporting 40 female-led technology businesses to address the gender imbalance in the entrepreneur community.

In 2024, the Female Founder Accelerator is funded by the UK Government and will support a further 100 businesses. During the nine-week programme, founders work with experts from across the entrepreneurial landscape in a series of masterclasses, with the focus on developing their business propositions further.

For further information please see here: labs.uk.barclays/what-we-offer/our-programmes/female-founder-accelerator/



Wimbledon

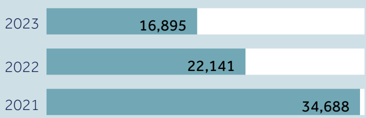
In 2023 Barclays launched a multi-year partnership with the All England Lawn Tennis Club as the Official Banking Partner of Wimbledon. In our first year, to accompany our partnership, we delivered an international campaign bringing in our customers, clients, colleagues and communities.

- Customers benefited from perks and elevated Premier giveaways.
- We showcased two of our Unreasonable Impact businesses. 80 Acres Farms, a company also supported by Barclays Sustainable Impact Capital, built a one-of-a-kind vertical strawberry farm on site, while CLUBZERØ supported us with returnable packaging. Over 6,000 Wimbledon attendees interacted with these two businesses over the course of The Championships, providing unique exposure.
- Additionally, we delivered for our communities with the Wimbledon Foundation by leveraging Barclays LifeSkills to expand the UK Set for Success programme, and launched the Barclays Net Work employability programme in the US'.

Society (continued)

Society - our KPIs

Operational GHG emissions (market-based) (tonnes CO_2e)



About this KPI and why we use it

Barclays is working to achieve net zero operations, consistent with a 1.5°C aligned pathway, and counterbalance any residual emissions.

This metric measures total gross Scope 1 and 2 (market-based) emissions generated from Barclays' branches, offices and data centres, including all indirect emissions from electricity consumption.

How we performed

We continued to source 100%Δ renewable electricity for our global real estate portfolio and continued to meet our 90% Scope 1 and 2 market-based emissions reduction target – reducing these emissions by 93%Δ.

+ See page 191 for details on Executive Director remuneration linked to these KPIs

Social, environmental and sustainability-linked financing facilitated ($bn)

About this KPI and why we use it

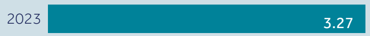
In 2022, we set a target of $1trn Sustainable and Transition Financing between 2023 and 2030 – encompassing green, social, transition and sustainability-linked financing, having met our previous target to facilitate £150bn of social, environmental and sustainability linked financing by 2025.

+ Please see page 101 for further detail on our target.

How we performed

In the first full year of our new $1trn target by 2030, we have facilitated $67.8bnΔ, demonstrating good momentum.

Skills and employability: Number of people upskilled (millions)



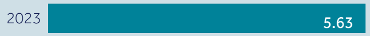
About this KPI and why we use it

Barclays is delivering skills and employment opportunities for people in the communities where we operate. The total number of people supported to unlock skills and employment opportunities includes those upskilled through our LifeSkills, Digital Eagles and Military and Veterans Outreach programmes.

How we performed

This KPI is new for 2023. In 2023, our impact measurement and reporting evolved to demonstrate Barclays' holistic impact in communities, through Barclays LifeSkills, Digital Eagles and Military and Veterans Outreach. In previous years, Barclays reported the number of people upskilled solely through LifeSkills, which for 2023 is 2.6mΔ (2022: 2.7m). From 2023, new investment through LifeSkills is focused on targeted support for people in underserved communities, resulting in a smaller number of people reached overall through our programme.

Sustainable growth: Number of businesses supported (thousands)



About this KPI and why we use it

Barclays is championing innovation and sustainable growth through programmes that unlock the world of finance, enabling businesses and economies to grow. The total number of businesses supported in our communities includes those engaged through Barclays' Eagle Labs, Rise, Sustainable Impact Capital and Unreasonable Impact.

How we performed

This KPI is new for 2023. In 2023, our impact measurement and reporting evolved to demonstrate Barclays' holistic impact in communities. See the 'Society' section on pages 31-32 for more information.

Our current estimate of our financed emissions based on our disclosed BlueTrack™ methodology

Portfolio	December 2023	Cumulative performance vs. baseline
Energy	42.5Δ $MtCO_2e$ (absolute emissions)	-44 %
Power	241Δ $KgCO_2e/MWh$ (physical intensity)	-26 %
Cement	0.573Δ tCO_2e/t (physical intensity)	-8 %
Metals (Steel)	1.635Δ tCO_2e/t (physical intensity)	-16 %
Automotive manufacturing	175.2Δ gCO_2e/km (physical intensity)	0 %
UK Housing	32.1Δ $kgCO_2e/m^2$ (physical intensity)	N/A
UK Commercial real estate	30.0Δ $kgCO_2e\ m^2$ (physical intensity)	N/A
Agriculture	2.4Δ $MtCO_2e$ (absolute emissions)	N/A
Aviation	882Δ gCO_2e/RTK (physical intensity)	N/A

Date baseline set:
December 2020 | December 2021
December 2022 | December 2023

About this KPI and why we use it

We continue to assess the financed emissions across our portfolio and measure the baseline emissions we finance across sectors. Our assessment will inform our plan for target setting in the coming years and support our better understanding of the extent to which our financing aligns with a 'well below 2°C' pathway.

How we performed

During 2023 we added further sectors to our BlueTrack™ methodology, progressing towards our NZBA commitment to set science-based targets for all material high-emitting sectors (as defined by the NZBA) in our portfolio by April 2024.

Our detailed analysis of our sectors and performance is contained within the Climate & Sustainability section from page 80.

The secret object #2 is a "bottle".

Note
Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Investors

Investors

Our investor stakeholder group encompasses investors, rating agencies and other market participants with an interest in the financial performance of the Group.

Where to find out more:

Further details can be found at:
home.barclays/investor-relations/

Engaging with investors

Through the year we maintained active engagement with our stakeholders across a number of themes, including capital strategy and allocation, divisional performance and the impact of the changing macroeconomic environment.

This bilateral engagement has helped inform our Investor Update and our plans to deliver further value to our shareholders and stakeholders. The combination of our 2023 Results Announcement, Resegmentation document, and the Investor Update in February 2024 provide further detail on our three-year plan to deliver higher returns, our capital allocation priorities and revised financial targets, as well as the updated divisional structure we will report upon from Q1 2024.

We also engaged extensively regarding our climate strategy, methodology, and the actions we have taken to build a sustainable bank. Alongside this, our engagement also covered how we have utilised the Board and senior management to engage with other corporates on governance and the control environment.

Shareholder feedback on ESG demonstrated a focus on the development of our climate strategy and policies. In February 2024, we updated our Climate Change Statement, including our policies, targets and financing to reduce financed emissions.

Our 2024 AGM will be hosted in Glasgow to continue our wider engagement with shareholders.

Performance during the year

Barclays delivered a Group statutory RoTE of 9.0% (2022: 10.4%) with profit before tax of £6.6bn (2022: £7.0bn), which included £0.9bn of structural costs actions in Q423. The prior year included the impact of the Over-issuance of Securities.

The following performance highlights exclude the impact of the Q423 structural cost actions and the impact of the Over-issuance of Securities in the prior year[1].

Group RoTE of 10.6% (2022: 11.6%) with profit before tax of £7.5bn (2022: £7.7bn)

Group income of £25.4bn, up 3% year-on-year:

Barclays UK income increased 5% to £7.6bn, driven by net interest income growth from higher rates, including higher structural hedge income.

Corporate and Investment Bank (CIB) income decreased 4% to £12.6bn, driven by lower client activity in both Global Markets and Investment Banking, partially offset by a strong performance in Corporate driven by Transaction Banking.
Consumer Cards and Payments (CC&P) income increased 18% to £5.3bn reflecting higher balances in US cards and favourability from higher rates and client balance growth in Private Bank.
Group total operating expenses were £16.0bn, up 2% year-on-year. Cost: income ratio of 63%as the Group delivered positive cost: income jaws of 1%.
Credit impairment charges were £1.9bn (2022: £1.2bn) with an LLR of 46bps (2022: 30bps).

CET1 ratio of 13.8% (2022: 13.9%), with risk weighted assets (RWAs) of £342.7bn (December 2022: £336.5bn) and tangible net asset value per share of 331p (December 2022: 295p).

Capital distributions: Total capital distributions of £3.0bn announced in relation to 2023, up c.37% on 2022, reflecting a total dividend of 8.0p and total share buybacks of £1.75bn for 2023. This includes our intention to initiate a further share buyback of up to £1.0bn.

Note:
1 Page 391 includes a reconciliation of financial results excluding the impact of Q423 structural costs actions and the Over-issuance of Securities in 2022.

Investors (continued)

Consolidated summary income statement

For the year ended 31 December	2023 £m	2022 £m
Net interest income	**12,709**	10,572
Net fee, commission and other income	**12,669**	14,384
Total income	**25,378**	24,956
Operating costs	**(16,714)**	(14,957)
UK bank levy	**(180)**	(176)
Litigation and conduct	**(37)**	(1,597)
Total operating expenses	**(16,931)**	(16,730)
Other net income	**(9)**	6
Profit before impairment	**8,438**	8,232
Credit impairment (charges)/releases	**(1,881)**	(1,220)
Profit before tax	**6,557**	7,012
Tax charge	**(1,234)**	(1,039)
Profit after tax	**5,323**	5,973
Non-controlling interests	**(64)**	(45)
Other equity instrument holders	**(985)**	(905)
Attributable profit	**4,274**	5,023
Selected financial statistics		
Basic earnings per share	**27.7p**	30.8p
Diluted earnings per share	**26.9p**	29.8p
Return on average tangible shareholders' equity	**9.0%**	10.4%
Cost: income ratio	**67%**	67%

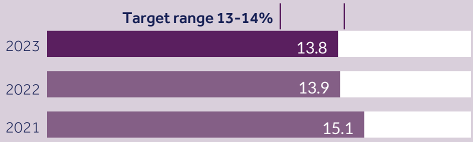
Consolidated summary balance sheet

As at 31 December	2023 £m	2022 £m
Assets		
Cash and balances at central banks	**224,634**	256,351
Cash collateral and settlement balances	**108,889**	112,597
Loans and advances at amortised cost	**399,496**	398,779
Reverse repurchase agreements and other similar secured lending	**2,594**	776
Trading portfolio assets	**174,605**	133,813
Financial assets at fair value through the income statement	**206,651**	213,568
Derivative financial instruments	**256,836**	302,380
Financial assets at fair value through other comprehensive income	**71,836**	65,062
Other assets	**31,946**	30,373
Total assets	**1,477,487**	1,513,699
Liabilities		
Deposits at amortised cost	**538,789**	545,782
Cash collateral and settlement balances	**94,084**	96,927
Repurchase agreements and other similar secured borrowings	**41,601**	27,052
Debt securities in issue	**96,825**	112,881
Subordinated liabilities	**10,494**	11,423
Trading portfolio liabilities	**58,669**	72,924
Financial liabilities designated at fair value	**297,539**	271,637
Derivative financial instruments	**250,044**	289,620
Other liabilities	**17,578**	16,193
Total liabilities	**1,405,623**	1,444,439
Equity		
Called up share capital and share premium	**4,288**	4,373
Other equity instruments	**13,259**	13,284
Other reserves	**(77)**	(2,192)
Retained earnings	**53,734**	52,827
Total equity excluding non-controlling interests	**71,204**	68,292
Non-controlling interests	**660**	968
Total equity	**71,864**	69,260
Total liabilities and equity	**1,477,487**	1,513,699
Net asset value per ordinary share	**382p**	347p
Tangible net asset value per share	**331p**	295p
Number of ordinary shares of Barclays PLC (in millions)	**15,155**	15,871
Year-end USD exchange rate	**1.28**	1.20
Year-end EUR exchange rate	**1.15**	1.13

Investors (continued)

Investors – our KPIs

Common Equity Tier 1 (CET1) ratio[1]
(%)



About this KPI and why we use it

CET1 ratio is a measure of the capital strength and resilience of Barclays, determined in accordance with regulatory requirements. The Group's capital management objective is to maximise shareholder value by prudently managing the level and mix of its capital. This is to ensure the Group is appropriately capitalised relative to the minimum regulatory and stressed capital requirements, and to support the Group's risk appetite, growth, and strategy whilst seeking to maintain a robust credit proposition for the Group.

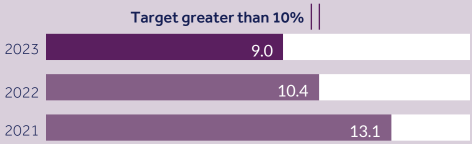
The ratio expresses the Group's CET1 capital as a percentage of its RWAs. RWAs are a measure of the Group's assets adjusted for their respective associated risks.

How we performed

The CET1 ratio decreased to 13.8% (December 2022: 13.9%), within our target range, as RWAs increased by £6.2bn to £342.7bn partially offset by an increase in CET1 capital of £0.4bn to £47.3bn.

+ See page 191 for details on Executive Director remuneration linked to these KPIs

Group return on tangible equity (RoTE)[1] (%)



About this KPI and why we use it

RoTE measures our ability to generate returns for shareholders. It is calculated as profit after tax attributable to ordinary shareholders as a proportion of average shareholders' equity excluding non-controlling interests and other equity instruments adjusted for the deduction of intangible assets and goodwill. This measure indicates the return generated by the management of the business based on shareholders' tangible equity.

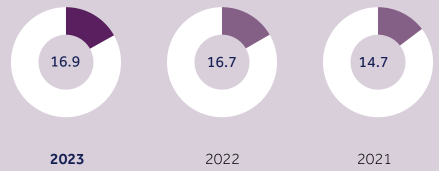
Achieving a target RoTE demonstrates the organisation's ability to execute its strategy and to align management's interests with those of its shareholders. RoTE lies at the heart of the Group's capital allocation and performance management process.

How we performed

Statutory RoTE was 9.0% (2022: 10.4%) including £0.9bn of structural cost actions in Q423.

Excluding Q423 structural cost actions, RoTE was 10.6%[3].

Total operating expenses[1, 2]
(£bn)



About this KPI and why we use it

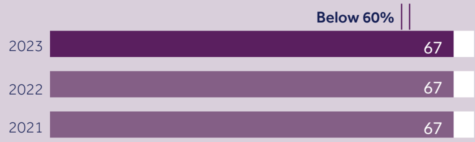
We view total operating expenses as a key strategic area for banks. Those that actively manage costs and control them effectively will gain a strong competitive advantage.

How we performed

Group operating expenses increased to £16.9bn (2022: £16.7bn) reflecting £0.9bn of structural cost actions in Q423, business growth and investments in resilience and controls, partially offset by lower litigation and conduct charges.

The prior year included £1.0bn of litigation and conduct charges related to the Over-issuance of Securities.

Cost: income ratio[1]
(%)



About this KPI and why we use it

The cost: income ratio measures total operating expenses as a percentage of total income and is used to assess the productivity of our business operations.

How we performed

The Group cost: income ratio was 67% (2022: 67%). Excluding Q423 structural cost actions, Group cost: income ratio was 63%[2] as the Group delivered positive jaws of 1%.

Notes
1 KPIs reflect the targets and ambitions followed during 2023. On 20 February 2024, the 2023 Results Announcement set out refreshed targets and ambitions which future progress will be measured against. Please see page 13 for further detail, or home.barclays/strategy
2 Litigation and conduct in 2023: £37m, 2022: £1,597m, which includes £966m related to the Over-issuance of Securities and 2021: £397m.
3 Page 391 includes a reconciliation of financial results excluding the impact of Q423 structural costs actions and the Over-issuance of Securities in 2022.

Additional disclosure

In this section we disclose information as required by Companies Act 2006 and various other information to help navigate the Annual Report 2023.

Section 172 statement
Non-financial and sustainability information Statement
TCFD compliance
ESG ratings and reporting
Managing risk
Viability statement

Section 172(1) statement

How the Board has regard to the views of our stakeholders

In accordance with the Companies Act 2006 (the Act), this statement sets out how the Directors have had regard to the matters set out in Section 172(1) of the Act when performing their duty to promote the success of the Company under Section 172.

You can read more about our key stakeholder groups and how we listen and respond to them, striving to create sustainable value for all those we serve in Our Stakeholders from page 23. You can also read about the key activities of the Board and decisions taken during the year, along with details of the Board's engagement with colleagues in Key Board Activities in 2023 in the Board Governance report.

Overview

Throughout the year, the Board and individual Directors engage directly and indirectly with stakeholders to ensure they have a deep understanding of the impact of the Group's operations on key stakeholders, as well as their interests and views. This includes meeting with customers and clients, colleagues, investors, proxy advisers, key regulators, NGOs and other stakeholders.

This engagement, both directly and through reporting by executive management, to whom the day-to-day operations of the business are delegated, seeks to ensure the Board understands the key issues to enable the Directors to comply with their legal duty under Section 172(1).

You can find out more about how the Directors have had regard to the matters set out in Section 172(1) when discharging their duties, and the effect of those considerations in reaching certain decisions below.

Embedding a standard of consistent excellence across Barclays

As reported in our 2022 Annual Report, towards the end of 2022, Barclays established a group-wide cultural change programme led by our Group Chief Executive, to set a standard of consistent excellence, recognising that both our stakeholders and management want Barclays to perform at a consistently very high level, each and every day. This programme challenges colleagues to address five key areas – service, precision, focus, simplicity and diversity of thought – to establish a new operating standard.

This programme is supported by our existing Purpose, Values and Mindset. The Board recognises that this cultural change programme is key to driving better outcomes for Barclays' stakeholders, including for our investors, customers, clients and colleagues. As such, oversight of this programme has been a key area of focus for the Board in 2023.

In 2023, the Board received updates on the progress of this programme at each Board meeting, including the key levers necessary to achieve the required outcomes.

Board members have discussed with management the importance of 'tone from the top', recognising the need for senior leadership accountability and support in order to drive a broader cultural shift across the wider colleague base.

What a consistently excellent standard means to Barclays

We are holding ourselves to a high standard across:

Service:	Precision:	Focus:	Simplicity:	Diversity of thought:
world-class service for clients and customers, every time	in our operations, our risk management and our controls	on businesses and projects where we can excel	simplicity and efficiency, seeking out every opportunity to automate	championing new thinking, and challenging the status quo

The Board recognises that in order to drive change across the organisation it is key that colleagues understand and believe in the aims of the programme and recognise their personal accountability for delivering the right outcomes, including their role in challenging processes and controls that can be improved or simplified.

To support this, a high profile internal campaign led by the Group Executive Committee has been launched which recognises and celebrates the successes of colleagues in driving simplification, and risk and control improvements across the organisation, providing real examples which bring the aim of the programme to life. Throughout 2023, a programme of events has been held for management level colleagues, the aim of which is to ensure senior colleagues understand the importance of the programme objectives and that they are supported in developing the skills they need to implement and embed the change in the organisation.

This included Consistently Excellent workshops for our senior leaders, to help create a common understanding across the Group. In 2024, all colleagues will be invited to attend these workshops. As part of that programme, our Group Chief Executive interviewed Brian Gilvary, our Senior Independent Director, about his experiences during his executive career of dealing with operational challenges and cultural change programmes.

A key part of achieving the aims of this cultural change programme is driving operational excellence. The Board Audit Committee has oversight of the execution and sustainable embedding of the Group's key remediation programmes, and received regular briefings throughout the year on the progress of these programmes, including deep dives into specific projects.

Section 172(1) statement (continued)

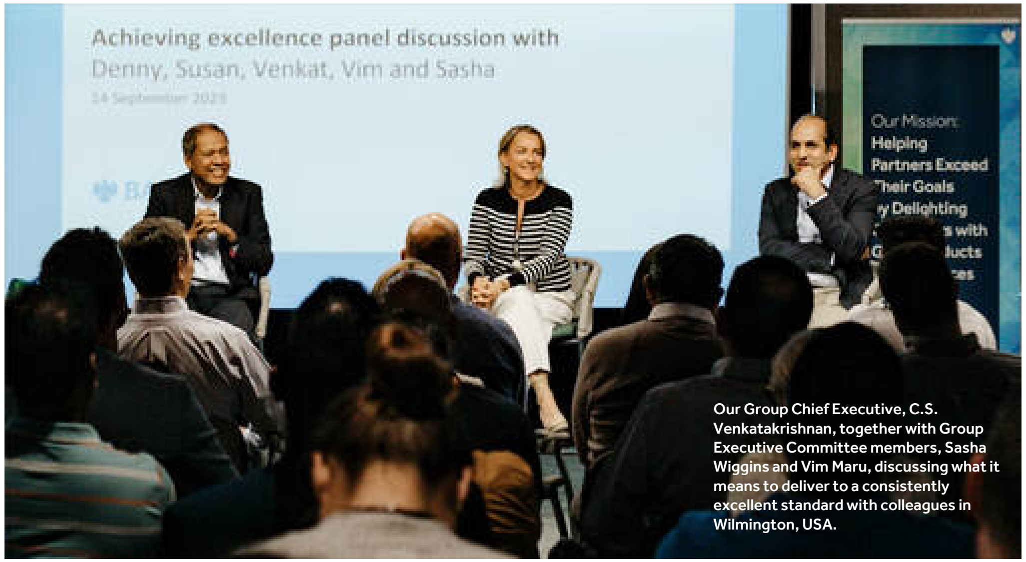
A key area to achieving success in this area is the related work to identify lessons learned from these remediation programmes, and to embed those learnings into standard business practices.

The Board has discussed with management the need to ensure that desired outcomes are measured and tracked, with regular insight being provided to the Board and management relating to improvements in customer experience, operational excellence, risk management, colleague behaviour and financial delivery.

The Board recognises that a cultural and behavioural change programme of this nature is both complex and multi-year and, as such, the embedding and sustainability of this programme will continue to be an area of focus for the Board throughout 2024 and beyond.

"To be a consistently excellent organisation, we must be ambitious and focused... with each of us taking personal accountability"

C. S. Venkatakrishnan
Group Chief Executive



Our Group Chief Executive, C.S. Venkatakrishnan, together with Group Executive Committee members, Sasha Wiggins and Vim Maru, discussing what it means to deliver to a consistently excellent standard with colleagues in Wilmington, USA.

Implementing and embedding the new FCA Consumer Duty

In July 2023, the Financial Conduct Authority's (FCA) Consumer Duty came into force. The Consumer Duty is a new outcomes-based regulation, designed to ensure relevant financial services firms deliver good outcomes for retail customers consistent with the three cross-cutting rules to (i) act in good faith, (ii) avoid causing foreseeable harm, and (iii) enable and support retail customers, and the four retail customers outcomes relating to: (i) products and services, (ii) price and value, (iii) consumer understanding, and (iv) consumer support.

The implementation of, and ongoing compliance with, the Consumer Duty is the responsibility of the operating entities within the Group, primarily BBPLC and BBUKPLC. However, given the significance of the Consumer Duty, the Board also provides relevant oversight of the Consumer Duty across the Group. In this respect, in February 2023, the Board approved changes to its Matters Reserved in order to reflect its responsibility for this oversight.

Throughout the first half of 2023, the Board retained oversight of Barclays' planning for the first Consumer Duty implementation deadline of 31 July 2023 for in-scope products and services. In addition to receiving its regular updates on the status of the Group's implementation plans, the Board received a final update on the Group's overall compliance readiness shortly before the July implementation deadline. This update included information on work conducted to ensure all relevant Group frameworks align with the Consumer Duty rules and guidance and ongoing work to embed the Consumer Duty, including the roll-out of mandatory Consumer Duty training for colleagues.

A Consumer Duty lens has been applied in the development of the Barclays Group-wide change programme, Consistently Excellent, with the spirit of the Consumer Duty reflected in the 'world-class service for clients and customers'. In May 2023, the Chairman, together with Mary Francis (as BBPLC Consumer Duty Champion) and the BBUKPLC Consumer Duty Champion, visited our contact centre in Wavertree, Liverpool, to experience Consumer Duty in action, meeting with customer-facing colleagues and learning about how Barclays is addressing vulnerable customer needs.

In late 2023, the Board received a further progress report on the continuing work to operationalise and embed the Consumer Duty across the Group, the roll-out of new Consumer Duty management information and ongoing planning for the second implementation date of 31 July 2024 for closed products.

One continuing area of Board focus is the Group oversight of work to develop robust data and monitoring capabilities to assess customer outcomes and identify potential or actual risks, and for reporting at business, Executive and Board level.

Given the Group-wide significance of the Consumer Duty, throughout 2023, there has been extensive engagement by the Boards of BPLC, BBPLC and BBUKPLC on this subject.

The Board will continue its oversight of BBPLC and BBUKPLC's embedding and implementation of the Consumer Duty in 2024, noting that, from July 2024, each of the BBPLC and BBUKPLC Boards is required to review and approve its first assessment as to whether each business is delivering good outcomes for its retail customers which are consistent with the Consumer Duty.

Non-financial and sustainability information statement

The non-financial and sustainability reporting requirements (including the new climate-related financial disclosures) contained in Sections 414CA and 414CB of the Companies Act 2006 have been addressed through a combination of summary text and cross referencing to other sections of the Annual Report. We have used cross-referencing as appropriate to deliver clear, concise and transparent reporting.

In addition to the information referred to in the table below, further information about the impact of our activities can be found in the following sections of the Annual Report:

Part 1 of this statement addresses the non-financial information requirements set out in section 414CB(1) and (2).

Part 2 of this statement addresses the new climate-related financial disclosure requirements set out in section 414CB(A1) and (2A).

Part 1

Relevant information relating to business model, principal risks and non-financial key performance indicators can be found in the following sections of the Annual Report:

	Section	Pages
Business model		10, 60-65
Principal risks	Managing risk	51-53
	Principal Risk management	272-283*
	Risk performance	284-362*
Key performance indicators		26, 29, 33, 36, 75, 88, 103
Impact	Environmental matters	73 - 79, 80 - 100, 124 - 125, 236 - 237
	Company employees	27 - 29, 246, 250
	Social matters	24 - 26, 30 - 33, 236 - 237, 238 - 239, 239 - 241, 242 - 244
	Respect for human rights	238 - 239, 239 - 241
	Anti corruption and bribery matters	249

Note:
* in Part 3 of the Report

In relation to the requirements relating to policies, we have a range of statements and policy positions designed to support key outcomes for all of our stakeholders, some of which can be found here: [redacted] sustainability/esg-resour[redacted]

The secret landmark is "Big Ben".

These policies and statements are in place with the aim of ensuring strengthened risk management and consistent governance. In order to maintain these policies and statements, the relevant documents are reviewed periodically.

Performance against our strategic key performance indicators for our stakeholder groups, as shown from page 23, is one indicator of the effectiveness and outcome of policies [redacted]mmary information in relation to these statements and policies in the table below, providing cross references to additional content contained in the Annual Report where appropriate:

Non-financial and sustainability information statement (continued)

Environmental-related statements and policies

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Climate Change statement	The Barclays Climate Change Statement sets out our approach based on a consideration of all risk and market factors to certain energy and power sectors with higher carbon-related exposures or emissions from extraction or consumption, or those which may have an impact on certain sensitive environments or on communities, namely thermal coal mining, coal-fired power generation, mountain top coal removal, upstream oil and gas and unconventional oil and gas including oil sands, Arctic oil and gas, Amazon oil and gas, hydraulic fracturing ('fracking'), ultra-deep water and extra heavy oil. The statement outlines Barclays' focus on supporting our clients to transition to a low-carbon economy, while helping to limit the threat that climate change poses to people and to the natural environment. We conduct due diligence on a case-by-case basis on clients in sensitive energy sectors that fall outside the restrictions set out in our statement.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 236 onwards). • 'Restrictive policies' section in Part 2 of the Annual Report (page 100), • Our approach to nature and biodiversity section in Part 2 of the Annual Report (page 124). • Our strategy, selected targets and progress: 2) Reducing our financed emissions – Restrictive policies section in Part 2 of the Annual Report (page 63).
Forestry and Agricultural Commodities statement	We recognise that forestry and agricultural commodities sectors are responsible for producing a range of agricultural commodities such as timber, pulp & paper, palm oil, beef and soy that are often associated with environmental and social impacts, including climate change, deforestation, biodiversity loss and human rights issues. Our Forestry and Agricultural Commodities Statement outlines our restrictions and due diligence approach for clients involved in these activities,	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 236 onwards). • 'Restrictive policies' section in Part 2 of the Annual Report (page 100). • 'Our approach to nature and biodiversity' section in Part 2 of the Annual Report (page 124).

Environmental-related statements and policies (continued)

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
World Heritage Site and Ramsar Wetlands statement	We understand that industries can impact areas of high biodiversity value including United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites and Ramsar Wetlands and their buffer zones. Our statement outlines our restrictions and client due diligence approach that aims to preserve and safeguard these sites.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 236 onwards). • 'Restrictive policies' section in Part 2 of the Annual Report (page 100), • 'Our approach to nature and biodiversity' section in Part 2 of the Annual Report (page 124).
Climate Risk Policy	The Climate Risk Policy outlines the requirements and policy objectives for assessing and managing the impact on Financial and Operational Risks arising from the physical and transition risks associated with climate change. This incorporates identification, measurement, management and reporting for Financial and Operational Risks. Risks associated with Climate Change are being managed in accordance with the requirements set out in this policy.	• See our Climate risk section from page 272 in Risk Review in Part 3 of the Annual Report.

Non-financial and sustainability information statement (continued)

Human rights-related statements

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Human rights	Barclays' human rights statement expresses our commitment to respecting human rights as defined in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our approach to respecting human rights is guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The statement provides an overview of the evolving framework of policies and processes that seek to embed these commitments across our business.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 236 onwards). • Other Governance within the Governance report in Part 3 of the Annual Report (Page 230).
Modern slavery	Barclays publishes a Modern Slavery Statement made according to the requirements of section 54 of the UK Modern Slavery Act 2015 and section 14 of the Australian Modern Slavery Act 2018 (Cth). We recognise that the nature of our business and global footprint means we may be exposed to modern slavery risks across our operations, supply chain, and customer and client relationships. We are committed to trying to identify and seeking to address human rights risks, such as modern slavery, across our value chain. In this Statement we report the progress made over the course of the year and outline our plans for the year ahead.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 236 onwards). • Other Governance within the Governance report in Part 3 of the Annual Report (Page 230).
Defence and Security sector	Barclays' Statement on the Defence and Security Sector outlines our approach to defence-related transactions and relationships. We recognise that various types of defence equipment are considered necessary for achieving internationally accepted goals, such as legitimate national defence and security purposes as set forth in the Charter of the United Nations, or peacekeeping missions. At the same time, we also recognise that the Defence and Security Sector involves equipment and activities that have the potential to lead to significant impacts on individuals, communities and the broader geopolitical landscape. Barclays conducts enhanced due diligence as appropriate on clients in scope of the Defence and Security Statement.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 236 onwards). • 'Restrictive policies' section in Part 2 of the Annual Report (page 100).

Colleagues and suppliers

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Code of Conduct	The Barclays Way is our code of conduct which outlines the Purpose, Values and Mindset that govern our way of working across our business globally. It constitutes a reference point covering all aspects of colleagues' working relationships, and provides guidance on working with colleagues, customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community with the aim of creating the best possible working environment for our colleagues.	• See The Barclays Way section from page 245 in Other Governance within the Governance report in Part 3 of the Annual Report.
Board Diversity and Inclusion Policy	The Board Diversity and Inclusion Policy is designed to ensure that all Board appointments and succession plans are based on merit and objective criteria, recognising the benefits of diversity, in all its forms, and that due regard is given to diversity and inclusion characteristics when considering Board Committee appointments. The Policy sets out measurable objectives for achieving diversity on the Board, including the Board's current target to ensure that, by 2025, the proportion of women on the Board is at least 40 per cent.	• See our section on diversity within the report of the Board Nominations Committee on page 158 of Part 3 of the Annual Report.
Third-party code of conduct	Our approach to the way we do business needs to be adopted by our suppliers when acting on behalf of Barclays. To ensure a common understanding of our approach which will help us collectively drive the highest standards of conduct, we have created our Third Party Code of Conduct, which details our expectations for Environmental Management, Human Rights, Diversity and Inclusion; and living the Barclays Values.	• See "Supporting our Supply Chain" within ESG Governance on page 238.
Statement of Commitment to Health & Safety	Barclays health, safety and wellbeing statement of commitment sets out the Bank's commitment to protecting the safety and wellbeing of our employees, customers, suppliers, and any individuals using our premises, by providing and maintaining a safe working environment that protects both physical and mental wellbeing. The effective implementation of the statement of commitment has resulted in the continual improvement of health and safety related performance and proactive hazard management, as well as increasing the number of sites where Barclay's occupational health and safety management system is independently certified to ISO45001.	• See our health and safety section from page 250 in Other Governance within the Governance report in Part 3 of the Annual Report.

Non-financial and sustainability information statement (continued)

Governance and Financial Crime statements

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Financial Crime Statement	We have adopted a holistic approach to financial crime risk management and have one group-wide Financial Crime Policy. It is designed to ensure that Barclays has adequate systems, procedures, and controls in place to manage the risk of being used to facilitate financial crime and to manage the legal, regulatory, and reputational risks associated with financial crime. The Financial Crime Policy is supported by group-wide Standards that focus on four key risks anti-bribery & corruption (ABC); anti-money laundering & counter-terrorist financing (AML); anti-tax evasion facilitation (ATEF) and sanctions, including proliferation financing, and is: • Designed to ensure that all employees and Barclays businesses globally comply with UK, extra-territorial and locally applicable legal and regulatory obligations, • Designed to create an integrated and consistent framework upon which Barclays manages financial crime risk, • Supported by the Barclays Board of Directors, • Approved by the Group Chief Compliance Officer (member of the Group Executive Committee), and • Regularly reviewed to ensure it remains up to date.	• See the Financial Crime section from page 249 in Other Governance within the Governance report in Part 3 of the Annual Report.
Data protection	Barclays aims to ensure that the privacy and security of personal information is respected and protected. Our privacy notices, available on our websites, describe how we collect, handle, store, share, use and dispose of information about people. We regard sound privacy practices as a key element of corporate governance and accountability.	• See the managing data privacy, security and resilience section from page 251 in Other Governance within the Governance report in Part 3 of the Annual Report.
Donations	Barclays carefully evaluates non-profit organisations prior to partnering with them to ensure they align with its values. Barclays will not make any donation that is, or could be perceived to be, an incentive to win or retain business or one that delivers a business advantage. We will not make any donation that is contrary to Barclays Financial Crime Policy (Anti-Bribery & Anti-Corruption Policy, Sanctions), or any other Barclays Compliance policies and standards. Barclays is unfortunately unable to provide funding to many of the requests that we receive and does not accept unsolicited donation requests.	• See our donation guidelines at: home.barclays/content/dam/home-barclays/documents/citizenship/our-reporting-and-policy-positions/Barclays-donation-guidelines.pdf

Governance and Financial Crime statements

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Resilience	Barclays maintains a robust resilience framework focusing on the end-to-end resilience of the business services we provide to customers and clients, aiming to ensure that all service components can deliver during business disruptions, crises, adverse events and other types of threats.	• See the managing data privacy, security and resilience section from page 251 in Other Governance within the Governance report in Part 3 of the Annual Report.
Tax	Our Tax Principles are central to our approach to tax planning, for ourselves or on behalf of our clients. We believe our Tax Principles have been a strong addition to the way we manage tax, ensuring that we take into account all of our stakeholders when making decisions related to our tax affairs. The same applies to our Tax Code of Conduct which is designed to ensure we file our returns on time and pay the correct amount of tax in a responsible and transparent manner.	• See the tax section from page 247 in Other Governance within the Governance report. • Barclays PLC Country Snapshot report at home.barclays/annualreport

Non-financial and sustainability information statement (continued)

Part 2

Relevant information in relation to the climate-related financial disclosures is set out below, using cross-referencing to other sections of the Annual Report where appropriate.

Given the similarities in these disclosure requirements with the TCFD recommended disclosures, and in order to avoid unnecessary duplication and deliver concise reporting, we have chosen to present the climate-related financial disclosures alongside information relating to the related TCFD recommended disclosures.

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(a)	A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	Governance	a) We describe the Board's oversight of climate-related risks and opportunities	The Board is responsible for the overall leadership of Barclays PLC, including setting the Group's climate strategy. The Board and, as appropriate, its Committees are responsible for the oversight of climate-related risks and opportunities in the Group. Each Board Committee has its own Committee Terms of Reference clearly setting out its remit and decision-making powers, including those relating to climate matters.	154, 180 - 182 232
			b) We describe management's role in assessing and managing climate-related risks and opportunities	Oversight and management of Barclays' climate strategy is increasingly embedded in business-as-usual management structures, including a number of executive committees. The executive management committees receive regular briefings on matters including climate change. Both risks and opportunities are considered by management. Climate-related risks are assessed and escalated as appropriate through the various risk forums. In 2023, the Group Sustainability Committee was established as a dedicated forum to identify and discuss climate-related matters across the Group with a specific mandate to review and propose updates to the Group Climate strategy prior to approval by Group ExCo.	121 - 123, 233 - 235

Non-financial and sustainability information statement (continued)

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(d)	A description of: (i) the principal climate-related risks and opportunities arising in connection with the company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed	**Strategy**	a) We describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Climate risk is defined as the impact on Financial (Credit, Market, Treasury & Capital) and Operational Risks arising from climate change through physical risks and risks associated with transitioning to a lower carbon economy. Barclays faces exposure to climate-related risks, either directly through its operations and infrastructure or indirectly through its financing and investment activities. Time horizons are considered based on Barclays' planning cycles. Barclays has enhanced its focus on sustainable finance over the last two years. At the end of 2022, we announced a new target to facilitate $1trn of Sustainable and Transition Finance. This followed a review of the financing requirements arising from the global transition to a low-carbon economy if the world is to avoid the worst effects of climate change and the potential addressable market for Barclays. During 2023 we built on this work to develop a Group-wide sustainable finance strategy to operationalise our ambition.	67 – 71, 272, 284 – 290
Section 414CB(2A)(e)	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy		b) We describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Barclays' 2023 financial planning process included a review of our strategy, its implementation and tracking our progress on climate related targets, as well as, capturing a view of climate-related risks and opportunities, which aligns with how we manage other risks. Our planning process also considered current climate policies to ensure they are included in the base scenario. The planning process included an assessment of our financed emissions reduction targets for some of our highest emitting sectors. We also considered impairment over the horizon of the financial plan. At this point in time, there are no material amendments required to the financial plan. Our Sustainable and Transition Financing target of $1tn is a key driver of our finance planning process with pathway to achieve this as well as risks and opportunities reviewed and agreed with business heads.	72 – 129
Section 414CB(2A)(f)	An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios		c) We describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Barclays has performed two group wide climate stress tests during 2023, over and above existing macroeconomic internal stress tests, to assess Barclays' financial resiliency to climate risks. The two scenarios include both physical and transition risks, including assessment of a tipping point (H1) as well as the knock on macroeconomic impacts (H2). Results from the exercises have been integrated into Barclays internal capital adequacy assessment process to ensure Barclays remains sufficiently capitalised to both climate and macroeconomic stresses. The outputs are considered within Climate Risk Management and Financial Planning processes, such as assessment of climate impacts to ECL.	131 - 136

Non-financial and sustainability information statement (continued)

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(b)	A description of how the company identifies, assesses, and manages climate-related risks and opportunities	**Risk management**	a) We describe the organisation's processes for identifying and assessing climate-related risks b) We describe the organisation's processes for managing climate-related risks	The impact of climate risk drivers are observed in Barclays' portfolio through its traditional risk categories such as credit risk, market risk, treasury and capital risk , operational risk and reputational risk. Barclays continues to develop and enhance processes for identifying, assessing and managing climate-related risks and drive integration of climate risk into its business activities and operations.	67 – 69, 272 – 276
Section 414CB(2A)(c)	A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process		c) We describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate Risk is a Principal Risk under Barclays' Enterprise Risk Management Framework. A Climate Risk Framework, Climate Risk Policy and relevant governance structures have been developed to foster a systematic and consistent approach for managing climate risk across the firm. Barclays has also established a climate risk appetite at the Group-level.	

Non-financial and sustainability information statement (continued)

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(h)	A description of the key performance indicators (KPIs) used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those KPIs are based	**Metrics & Targets**	a) Our metrics used to assess climate-related risks and opportunities in line with our strategy and risk management processes	In line with our three-part climate strategy, we have set financed emissions 2030 reduction targets across eight high emitting sectors in our portfolio (with the addition this year of targets for the Aviation, Agriculture and UK Commercial Real Estate sectors). We have also expanded the scope of our UK Housing convergence point this year, as detailed on page 98. Each of our 2030 target ranges is developed with reference to a 1.5°C-aligned scenario, such as the IEA Net Zero by 2050 scenario. We have reported our progress against each of these targets as at December 2023, as detailed on page 86. We have additionally calculated the financed emissions for the full in-scope balance sheet as at December 2022. This has enabled us to calculate the coverage of our reduction targets across our portfolio (including integration of 1.5 degree aligned scenarios, with ranges for certain sectors) and to assess the extent to which the business is aligned to a well-below 2 degrees pathway. Our calculations indicate that we have set reduction targets for 55% of our overall Scope1,2 financed emissions. We also note our progress against our sustainable and transition financing between 2023 and the end of 2030, our green financing between 2018-2030, and our balance sheet investment by the end of 2027.	67 – 71
N/A	N/A		b) Our Scope 1, Scope 2 and Scope 3 operational greenhouse gas (GHG) emissions and the related risks	We measure our Scope 1, Scope 2 and Scope 3 emissions and report these against our net zero operations strategy, as set out on pages 73-79. On our financed emissions, we have: i. Estimated the full in-scope balance sheet financed emissions as at December 2022 using a methodology developed based on the PCAF Standard as set out on pages 80-83; and ii. Calculated financed emissions and physical intensities for specific activities as at December 2023 where we have set 2030 targets which include the integration of 1.5°C aligned scenarios, such as the IEA Net Zero 2050 scenario in our financed emission targets, and including the upper end of ranges for certain sectors, as set out on page 89	75, 88
Section 414CB(2A)(g)	A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets		c) Our targets used to manage climate-related risks and opportunities and performance against targets	Alignment of our client portfolios to the goals and timelines of the Paris Agreement underpinned by Barclays' BlueTrack™ Methodology. Progress reported against the following sector targets: Energy, Power, Cement, Steel, Automotive Manufacturing and UK Housing (where we have set a convergence point). Targets have also been set in 2023 for the first time against the following sectors: UK Commercial Real Estate, Agriculture, and Aviation. Progress against our target to facilitate $1 trillion of Sustainable and Transition Finance between 2023 and the end of 2030.	75, 88, 103

Task Force on Climate-related financial disclosure statement of compliance

We have considered our obligations under the UK's Financial Conduct Authority's Listing Rules and confirm that we have made disclosures consistent with the relevant Listing Rules and the Taskforce for Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures.

Given the similarities between the TCFD Recommended Disclosures and the new climate-related financial disclosures (required further to sections 414CA and 414CB of the Companies Act 2006), and in order to avoid unnecessary duplication and deliver concise reporting, we have chosen to present information relating to the TCFD recommended disclosures alongside the relevant Companies Act 2006 requirements.

For further information on where these disclosures can be found please refer to pages 44 to 47 of this report.

Looking ahead: TCFD sector specific requirements for asset managers

We continue our work to implement the TCFD sector specific guidance for asset managers (which represents a small part of our overall business) in accordance with the FCA Enhanced Climate-Related Disclosure Requirements for Asset Managers. We will report on this work during 2024, recognising the industry-wide challenge with data availability and accuracy to meet these requirements.

+ **Further details on the TCFD Recommendations and Recommended Disclosures are available at**: fsb-tcfd.org

Full list of metrics and targets can be found in the ESG Data Centre at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

ESG Ratings and Benchmarks

ESG ratings performance

We remain committed to enhancing our disclosures and to engaging with industry-led initiatives intended to support an effective and trusted ESG ratings market.

In 2023, Barclays continued engaging with key ESG ratings agencies to provide clear and consistent disclosures to our stakeholders.

Five of the ratings we track were unchanged, two declined, and three improved.

The ESG ratings market is moving towards a more regulated environment in the EU. Here in the UK, an industry-led working group launched a Code of Conduct for ESG ratings and data product providers. Barclays supports the Code's principles of transparency, good governance, management of conflicts of interest, and robust controls.

Please also refer to page 144 in Part 3 of the Annual Report **for details of BPLC Board consideration of matters relating to the reporting and monitoring of ESG-related data in addition to how we manage Climate across our Board structures within the Other Governance section from** page 230 in Part 3 of the Annual Report.

Select ESG ratings and benchmarks

MSCI ESG Rating

AA

2022: AA
2021: AA

Scale (best to worst):
AAA to CCC
Barclays' rating was stable

ISS QualityScore Environment

1

2022: 1
2021: 1

Scale (best to worst):
1 to 10
Barclays' rating was stable

Sustainalytics ESG Risk Rating

23.8

2022: 23.8
2021: 25.1

Scale (best to worst):
0-100
Barclays' rating was stable

ISS QualityScore Social

1

2022: 1
2021: 1

Scale (best to worst):
1 to 10
Barclays' rating was stable

S&P Global CSA

59
(90th percentile)

2022: 75
(95th percentile)
2021: 78
(92nd percentile)

Scale (best to worst):
100 to 0
Barclays' rating and relative performance declined

ISS QualityScore Governance

4

2022: 9
2021: 7

Scale (best to worst):
1 to 10
Barclays' rating improved

CDP Climate Change

B

2022: A-
2021: B

Scale (best to worst):
A to D-
Barclays' rating declined

ISS ESG Corporate Score

C

2022: C-
2021: C-

Scale (best to worst):
A+ to D
Barclays' rating improved

FTSE Russell ESG Rating

4.7
(99th percentile)

2022: 4.7
(98th percentile)
2021: 4.2
(92nd percentile)

Scale (best to worst):
5 to 0
Barclays' rating was stable and relative performance improved slightly

Moody's ESG Solutions

62

2022: 55
2021: 55

Scale (best to worst):
100 to 0 with advanced (>60)
Barclays' rating improved

ESG-related reporting and disclosures

ESG-related reporting and disclosures

Our approach to ESG reporting is informed by recognised external standards and frameworks. As these frameworks evolve, we will continue to assess and amend our approach to ESG disclosures appropriately.

Barclays continues to support efforts for enhanced ESG reporting and advocates for consistency in approaches to disclosures, ratings and benchmarks, including the work of the International Sustainability Standards Board (ISSB). We participate in a range of regional and global industry efforts to promote increased harmonisation in approaches to data, taxonomies and disclosures.

ESG Resource Hub

Barclays' ESG Resource Hub provides more detailed technical information, disclosures and our position statements on environmental, social and governance matters. It is intended to be relevant for analysts, ESG investors, rating agencies, suppliers, clients and all other stakeholders.

Further details can be found on the ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/

UN Principles for Responsible Banking (PRB)

Barclays was one of the founding signatories of the UN PRB. We report annually on how we are implementing the Principles.

The Barclays PLC PRB Report 2023 can be found at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

TCFD-related reporting and disclosures

Our climate-related financial disclosures are included within this Annual Report. The majority of the content can be found in Part 2 within the Climate and Sustainability report in addition to Part 3 within the Governance report and Risk review sections of the report.

For further details on where to access our TCFD-related disclosures, please see our Climate-related Financial Disclosures Summary and Index on page 44.

ESG Additional Reporting Disclosures

Barclays provides additional disclosures within the ESG Resource Hub, including reporting with reference to the material topics from the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI).

ESG Data Centre

Within the ESG Resource Hub, our ESG Data Centre continues to provide a central repository of climate, sustainability, and ESG-related data that is published within the Barclays PLC Annual Report in addition to additional data points and granularity.

The ESG Data Centre can be accessed online within our ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

KPMG LLP Limited Assurance

Barclays appointed KPMG LLP to perform limited independent assurance over selected ESG content, marked 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 and is available at the website link below. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this Annual Report has been subject to this external limited assurance.

Further details on Limited Assurance can be found at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Our ESG-related disclosures:

Annual Report
- Taskforce for Climate-related Financial Disclosures (TCFD) Recommendations
- ESG-related disclosures

ESG-related reporting
- Principles for Responsible Banking (PRB) Report
- Fair Pay report / UK Pay Gaps report
- (Tax) Country Snapshot report
- Board Diversity Policy
- Diversity, Equity and Inclusion report

ESG data resources
- ESG Data Centre

Other ESG resources
- ESG Investor Presentations
- Limited Independent Assurance statement
- Barclays' Sustainable Finance Framework
- Barclays' Transition Finance Framework
- BlueTrack™ Whitepaper
- Corporate Transition Forecast Model

Statements and policy positions
- ESG Resource Hub - Statements and policy positions

Indices
- Global Reporting Index (GRI)
- Sustainability Accounting Standards Board (SASB)

Managing risk

Prudently managing risk for stakeholders

Barclays is exposed to internal and external risks as part of its ongoing activities. These risks are managed as part of our business model.

Enterprise Risk Management Framework (ERMF)

At Barclays, risks are identified and overseen in accordance with the 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.

In 2023, the Conduct Risk Principal Risk was renamed "Compliance Risk" and now incorporates Conduct Risk as well as risks from a failure to comply with laws, rules and regulations applicable to the firm.

Risk appetite

Risk appetite defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress. Risk appetite is key to our decision-making processes, including ongoing business planning and setting of strategy, new product approvals and business change initiatives.

The Group sets its risk appetite in terms of performance metrics as well as a set of mandate and scale limits to monitor risks (i.e. to ensure business activities are aligned with expectations and are of an appropriate scale relative to the risk and reward of the underlying activities). During 2023, the Group's performance remained within its risk appetite limits.

"The ERMF governs the way in which Barclays identifies and manages its risks."

Three lines of defence

The first line of defence is comprised of the revenue-generating and client-facing areas, along with all associated support functions, including Finance, Treasury, Human Resources and Operations and Technology. The first line identifies the risks, sets the controls and escalates risk events to the second line of defence. Employees in the first line have primary responsibility for their risks and their activities are subject to oversight from the relevant parts of the second and third lines.

The second line of defence is made up of Risk and Compliance and oversees the first line by setting limits, rules and constraints on their operations, consistent with the risk appetite. The third line of defence is comprised of Internal Audit, providing independent assurance to the Board and Executive Committee on the effectiveness of governance, risk management and control over current, systemic and evolving risks.

The Legal function provides support to all areas of the business and is not formally part of any of the three lines of defence, The Legal function is responsible for proactively identifying, communicating and providing legal advice on applicable laws, rules and regulations. Except in relation to the legal advice it provides or procures, it is subject to second line oversight with respect to its own operational and compliance risks, as well as with respect to the legal risks to which the Group is exposed.

Monitoring the risk profile

Together with a strong governance process, using business and Group-level Risk Committees as well as Board-level forums, the Board receives regular information in respect of the risk profile of the Group, and has ultimate responsibility for Group risk appetite and capital plans. Information received includes measures of risk profile against risk appetite as well as the identification of new and emerging risks, which are derived by mapping risk drivers, identified through horizon scanning, to risk themes, and similar analysis.

During 2023, Barclays ran a stress test to assess its capital adequacy and resilience under a severe but plausible macroeconomic scenario. This stress test targeted risks such as inflation, financial stress and a shock on demand; with terminal low rates set to test the Group's vulnerabilities through Net Interest Income (NII) margin compression. The stress test outcome for macroeconomic tests assesses our full financial performance over the horizon of the scenario in terms of profitability, capital, liquidity and leverage to ensure the Group remains viable.

+ **For further details of the stress test, please refer to** page 55.

We believe that our structure and governance supports us in managing risk in the changing economic, political and market environments.

+ **For further detailed analysis of approach to risk management and risk performance, please see our full Risk review** on pages 254 to 372 of Part 3 of the Annual Report

Managing risk (continued)

The Enterprise Risk Management Framework defines nine Principal Risks

Principal Risks	Risks are classified into Principal Risks, as below	How risks are managed
Credit risk	The risk of loss to the Group from the failure of clients, customers or counterparties (including sovereigns), to fully honour their obligations to the Group, including the whole and timely payment of principal, interest, collateral and other receivables.	Credit Risk teams identify, evaluate, sanction, limit and monitor various forms of credit exposure, individually and in aggregate. The First Line delivers business plans and products within risk appetite and all limits set by the Second Line, by maintaining detailed financial forecasts, applying controls and managing risks to which they are exposed.
Market risk	The risk of loss arising from potential adverse changes in the valu[illegible] and liabilities from fluctuation in market variables including, but no[illegible] foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations. ***The secret object #5 is a "vase".***	[illegible]isk teams use a range of complementary approaches to identify and evaluate traded market risk [illegible]es. These risks are measured, limited and monitored by market risk specialists. The First Line conduct trading activities within the risk appetite and all mandate & scale limits set by the Second Line.
Treasury and Capital risk	**Liquidity risk** The risk that the Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets. **Capital risk** The risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the Group's pension plans. **Interest rate risk in the banking book** The risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.	Treasury and Capital risk is identified and managed by specialists in capital, liquidity and asset and liability management teams. A range of risk management approaches are used such as limits plan monitoring and stress testing.
Climate risk	The impact on Financial and Operational risks arising from climate change through physical risks, risks associated with transitioning to a low-carbon economy and connected risks arising as a result of second order impacts on portfolios of these two drivers.[1]	The Group assesses and manages its climate risk across its businesses and functions in line with its net zero ambition by monitoring exposure to elevated risk sectors, conducting scenario analysis and risk assessments for key portfolios. The First Line delivers business plans and manages exposures within the climate risk appetite and limits set by the Second Line. Climate risk controls are embedded across the financial and operational principal risk types through the Barclays Group's frameworks, policies and standards.

Note:
1 Definition of climate risk amended as part of the update climate risk policy in 2023. See page 67 for further detail.

Managing risk (continued)

The Enterprise Risk Management Framework defines nine Principal Risks

Principal Risks	Risks are classified into Principal Risks, as below	How risks are managed
Operational risk	The risk of loss to the Group from inadequate or failed processes or systems, human factors or due to external events (for example, fraud) where the root cause is not due to credit or market risks.	Operational risks are managed in accordance with the Operational Risk Framework, owned and overseen by the Second Line, and the standards within the Barclays Control Framework. The primary responsibility for the management of operational risk rests within the business and functional units where the risk arises. Management complete Risk and Control Self-Assessments to assess operational risks and the effectiveness of the controls within processes. Identified risks, events and issues are escalated to senior management and the Board to ensure timely notification and to agree the appropriate response.
Model risk	The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.	The range of controls owned by First Line include: timely model identification, robust model development, testing, documentation, annual assessment, and ongoing performance monitoring. The range of controls owned by Second Line include: independent model validation, oversight over on-going model performance, and execution of overall model risk governance covering oversight and reporting and escalation to appropriate forums and committees.
Compliance risk	The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Group's products and services (also known as 'Conduct risk') and the risk to Barclays, its clients, customers or markets from a failure to comply with the laws, rules and regulations applicable to the Group (also known as Laws, Rules and Regulations Risk, 'LRR Risk').	The First Line are accountable for the overall assessment and management of compliance risks in their business or function and are responsible for implementing the requirements outlined in the Compliance Risk Management Framework (CRMF). Compliance must oversee adherence to the CRMF and the management of compliance risk, and provide independent Second Line of Defence oversight to all Barclays businesses, providing advice and challenge where appropriate.
Reputation risk	The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Group's integrity and/or competence.	Reputation risk is managed by embedding our Purpose and Values, and maintaining a controlled culture within the Group, with the objective of acting with integrity, enabling strong and trusted relationships to be built with customers and clients, colleagues and broader society. Each business assesses reputation risk using standardised tools and the governance is fulfilled through management committees and forums, clear escalation and reporting lines to the Group Board.
Legal risk	The risk of loss or imposition of penalties, damages or fines from the failure of the Group to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.	Legal risk is managed by the identification and management of legal risks by the legal function and the escalation of legal risk as necessary. The Group's businesses and functions have responsibility for engagement of the Legal function in situations that have the potential for legal risk,

Viability statement

Consideration of the long-term viability of Barclays

The financial statements and accounts have been prepared on a going concern basis.

Provision 31 of the 2018 UK Corporate Governance Code requires the Directors to make a statement in the Annual Report regarding the viability of the Group, including an explanation of how they assessed the prospects of the Group, the period of time for which they have made the assessment and why they consider that period to be appropriate.

Time horizon

In light of the analysis summarised below, the Board has assessed the Group's current viability, and confirms that the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years. This time frame is used in management's Working Capital and Viability Report (WCR), prepared at the start of February 2024. The WCR is a formal projection of capital and liquidity based upon formal profitability forecasts. The availability of the WCR gives management and the Board sufficient visibility and confidence on the future operating environment for this time period.

The three-year time frame has also been chosen because:

- it is within the period covered by the formal medium-term plans approved by the Board which contain projections of profitability, cash flows, capital requirements and capital resources
- it is also within the period over which internal stress testing is carried out
- it is an appropriate horizon over which to consider the impacts of new regulations in the financial services industry.

The Directors are satisfied that this period is sufficient to enable a reasonable assessment of viability to be made.

Considerations

In making its assessment the Board has:

- carried out a robust and detailed assessment of the Group's risk profile and material existing and emerging risks (see below for further details), in particular those risks which senior management believes could cause the Group's future results of operations or financial condition to differ materially from current expectations or could adversely impact the Group's ability to meet its material regulatory requirements
- reviewed how those risks are identified, managed and controlled (further detail provided on pages 51 to 53)
- considered the WCR which provides an assessment of forecast CET1, leverage, Tier 1 and total capital ratios, as well as the build-up of minimum requirement for own funds and eligible liabilities (MREL) up to the end of 2025
- considered the Group's Medium Term Plan
- reviewed the Group's liquidity and funding profile, including forecasts of the Group's Internal Liquidity Stress Test (ILST), regulatory Liquidity Coverage Ratios (LCR) and Net Stable Funding Ratios (NSFR)
- considered the Group's viability under a specific internal stress scenario (see below for further detail)
- considered the stability of the major markets in which it operates, supply chain resilience and material known regulatory changes to be enacted
- considered the sustainability of any future capital distributions
- considered scenarios which might affect the operational resilience of the Group
- considered factors that may inform the impact of a severe recession in major economies with affordability pressures on consumers from high inflation and rising interest rates, energy supply pressures, and financial markets instability
- considered the impact of the Group's ambition to be a net zero bank by 2050 and support its clients' transition to a low-carbon economy, including the need to continue to incorporate climate considerations into its strategy, business model, the products and services it provides to customers and its financial and non-financial risk management processes
- reviewed the draft statutory accounts and the financial performance of the Group
- reviewed the possible impact of legal, competition and regulatory matters set out in Note 25 to the financial statements on pages 470 to 474.

The Group's Medium Term Plan is based on assumptions for macroeconomic variables such as interest rates, inflation, unemployment, which have been consistently applied for the purpose of forecasting the Group's capital and liquidity position and ratios, as well as any credit impairment charges or releases.

Assessment of the Group's risk profile

Risks faced by the Group's business, including in respect of financial, conduct and operational risks, are controlled and managed within the Group in line with the ERMF. Executive management sets a risk appetite for the Group, which is then approved by the Board. Limits are set to control risk appetite, within which businesses are required to operate.

Management and the Board then oversee the ongoing risk profile. Internal Audit provides independent assurance to the Board and Executive Committee over the effectiveness of governance, risk management and control over current and evolving risks.

A full set of material risks to which the organisation is exposed can be found in the material existing and emerging risks on pages 258 to 271 .

Certain risks are additionally identified as key themes and monitored closely by the Board and Board Committees. These are chosen on the basis of their potential to impact viability during the time frame of the assessment but in some instances the risks may continue beyond this time frame.

Viability statement (continued)

These particular risks include:

- the potential impact of increased recession risk heightened by the turbulent geopolitical outlook and volatile market conditions
- failure to successfully adapt the Group's operations and business strategy to address the financial risks resulting from both: (i) the physical risk of climate change; and (ii) the risk from the transition to a low-carbon economy
- legal proceedings, competition, regulatory and conduct matters giving rise to the potential risk of penalties, damages or fines, loss of regulatory licences and permissions and other sanctions, as well as potential adverse impacts on our reputation with clients and customers and on investor confidence and/or potentially resulting in adverse impacts on capital, liquidity and funding
- sudden shocks or geopolitical instability in any of the major economies in which the Group operates which could alter the behaviour of depositors and other counterparties, affect the ability of the firm to maintain appropriate capital and liquidity ratios or impact the Group's credit ratings
- evolving operational risks (notably cyber security, technology and resilience) and the ability to respond to the new and emerging technologies in a controlled fashion.

As a universal bank with a diversified and connected portfolio of businesses, servicing customers and clients globally, the Group is impacted in the longer term by a wide range of macroeconomic, political, regulatory and accounting, technological, social and environmental developments. The evolving operating environment presents opportunities and risks in respect of which the Group continues to evaluate and take steps to appropriately adapt its strategy and its delivery.

Stress tests

The Board has also considered the Group's viability under a specific internal stress scenario.

The latest macroeconomic internal stress test, conducted in H2 2023, targets risks such as inflation, financial stress and a shock on demand; with terminal low rates set to test Barclays' vulnerabilities through NII margin compression:

- severe UK recession (GDP low point -4.5%) brought by falling household real incomes, job losses leading to 8.3% unemployment rate, declining economic confidence and tight financial conditions. Other major economies experience very similar shocks
- high interest rates (peak 8.5% UK, 8.5% US) lead to additional stress in banking and non-banking sectors. As financial conditions tighten, central banks rapidly reverse policy and low interest rates persist (1% UK, 1.5% US) to stimulate the economy and avoid an even worse outcome
- inflation, after a short-term spike (UK 10.4%, US 8.1%), begins to reduce towards the end of 2025 gradually falling to 2% in the outer year forecast horizon. The short-term affordability pressures on customers ease as interest rates and inflation falls
- residential house prices in the UK decline 33% while in the US commercial real estate prices fall 45%, reflecting the contagion effects from the financial markets.

The stress test outcome for macroeconomic tests assesses our full financial performance over the horizon of the scenario in terms of profitability, capital, liquidity and leverage to ensure we remain viable.

In addition to a macroeconomic internal stress test, a climate internal stress test was run this year and presented to the Board Risk Committee for approval. See page 176. The exercise confirmed the Bank is financially resilient to climate risks. Refer to the 'scenario analysis' section in page 131 for the key learnings from the climate internal stress test.

The Group-wide stress testing framework also includes internal reverse stress testing assessments, conducted once a year, which aim to identify the circumstances under which the Group's business model would no longer be viable, leading to a significant change in business strategy and to the identification of appropriate mitigating actions. Examples include extreme macroeconomic downturn ('severely adverse') scenarios, or specific one-off events, covering both operational risk and capital/liquidity items. Reverse stress testing is used to help support ongoing risk management and is an input to the Group's recovery planning process.

Legal proceedings, competition, regulatory and remediation/redress conduct matters are also assessed as part of the stress testing process. Capital and the ILST are set at a level designed to enable the Group to withstand various stress scenarios. As part of this process, management also identified actions, including cost reductions and withdrawal from lines of business, available to restore the Group to its desired capital flight path. These internal stress tests informed the conclusions of the WCR.

The results of the macroeconomic internal stress test were approved by the Board Risk Committee and allowed the Board to approve the Medium Term Plan as being able to sustain a severe but plausible scenario and remain within risk appetite.

Based on current forecasts, taking account of material known regulatory changes to be enacted and having considered possible stress scenarios, the current liquidity and capital position of the Group continues to support the Board's assessment of the Group's viability.

Shareholder information

Annual General Meeting (AGM)

Location

SEC (Scottish Event Campus) Armadillo, Exhibition Way, Glasgow G3 8YW

And electronically on an online platform

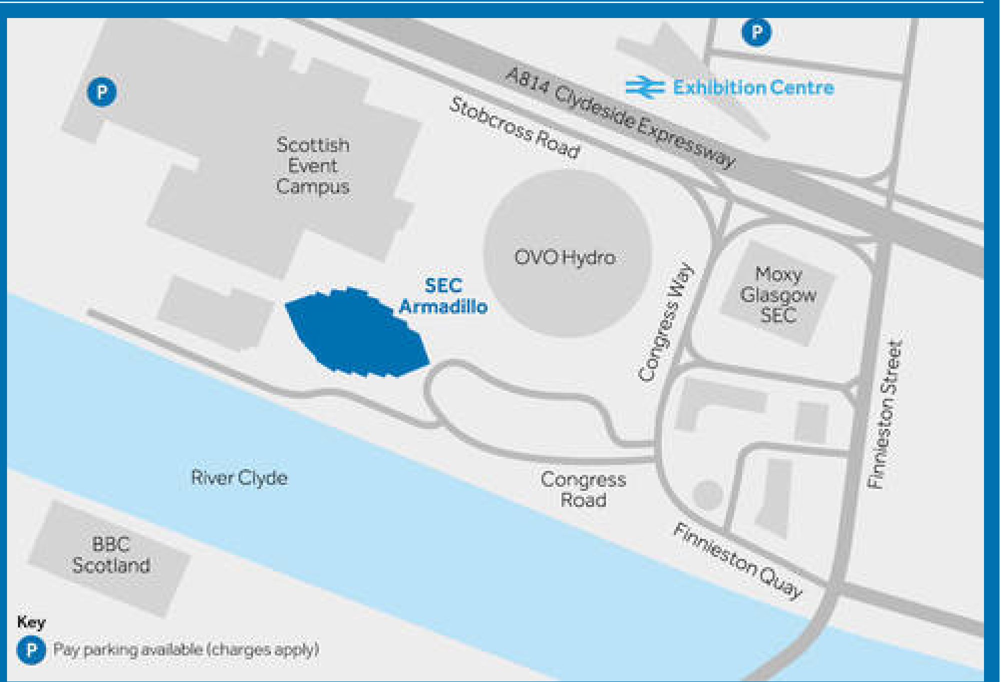
Date

Thursday, 9 May 2024

Time

11.00am

The arrangements for the Company's 2024 AGM and details of the resolutions to be proposed, together with explanatory notes and how to attend the meeting, will be set out in the Notice of AGM to be published on the Company's website (home.barclays/agm).



Key dates

1 March 2024	3 April 2024	25 April 2024	9 May 2024
Full year dividend record date	**Full year dividend payment date**	**Q1 2024 Results Announcement**	**Annual General Meeting at 11.00am**

Keep your personal details up to date

Please remember to tell Equiniti if:

- you move; or
- you need to update your bank or building society details.

If you are a Shareview member, you can update your bank or building society account or address details online. If you are not a Shareview member you can update details quickly and easily over the telephone using the Equiniti contact details on the next page.

Dividends

The Barclays PLC 2023 full year dividend for the year ended 31 December 2023 will be 5.30p per share, making the 2023 total dividend 8.00p per share.

Dividend Reinvestment Plan

Barclays offers a share alternative in the form of a dividend reinvestment plan (DRIP) for those shareholders who wish to elect to use their dividend payments to ordinary shares, rathe The secret flower is a "daisy". payment. The DRIP is provided and administered by Barclays' registrar, Equiniti.

Share price Information on the Barclays share price and other share price tools are available at: home.barclays/investorrelations

Further details regarding the DRIP can be found at
home.barclays/dividends
and shareview.co.uk/info/drip

Shareholder information (continued)

Shareholder security

Shareholders should be wary of any cold calls with an offer to buy or sell shares. Fraudsters use persuasive and high pressure techniques to lure shareholders into high-risk investments or scams. You should treat any unsolicited calls with caution.

Please keep in mind that firms authorised by the Financial Conduct Authority (FCA) are unlikely to contact you out of the blue. You should consider getting independent financial or professional advice from someone unconnected to the respective firm before you hand over any money.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at fca.org.uk/scams. You can also call the FCA Helpline on 0800 111 6768 or through Action Fraud on 0300 123 2040.

Donations to charity

We launched a Share Dealing Service in October 2017 aimed at shareholders with relatively small shareholdings for whom it might otherwise be uneconomical to deal. One option open to shareholders was to donate their sale proceeds to ShareGift. As a result of this initiative, £75,452.72 was donated in 2023, taking the total donated since 2017 to over £336,200.

Managing your shares online

Shareview

Barclays shareholders can go online to manage their shareholding and find out about Barclays performance by joining Shareview. Through Shareview, you:

- will receive the latest updates from Barclays direct to your email
- can update your address and bank details online
- can vote in advance of general meetings.

To join Shareview, please follow these two easy steps:

Step 1 Go to portfolio.shareview.co.uk

Step 2 Register for electronic communications by following the instructions on screen

Returning funds to shareholders

Over 60,000 shareholders did not cash their Shares Not Taken Up (SNTU) cheque following the Rights Issue in September 2013. In 2023, we continued the tracing process to reunite these shareholders with their SNTU monies and any unclaimed dividends and by the end of the year, we had returned approximately £32,000 to our shareholders, in addition to the approximately £5.0m returned since 2015.

Useful contact details

Registrar

Holders of ordinary shares

The Barclays share register is maintained by Equiniti. If you have any questions about your Barclays shares, please contact Equiniti:

By phone:
+ 44 (0)371 384 2055
(UK & International telephone number)

+44 (0)371 384 2255
(for the hearing impaired in the UK and international)

Note: Lines open 8.30am to 5.30pm (UK time) Monday to Friday, excluding public holidays.

Visit online:
shareview.co.uk

By post:
Aspect House
Spencer Road, Lancing, West Sussex
BN99 6DA

To find out more, contact Equiniti or visit:
home.barclays/dividends

Alternative formats

Shareholder documents can be provided in large print, audio CD or Braille free of charge by calling Equiniti.
+44 (0)371 384 2055
(UK and International telephone number)

Holders of American Depositary Receipts (ADRs)

ADRs represent the ownership of Barclays PLC shares which are traded on the New York Stock Exchange. ADRs carry prices, and pay dividends, in US dollars.

If you have any questions about your Barclays ADRs, please contact Shareowner Services:

By email:
StockTransfer@equiniti.com

Visit online:
adr.com

By phone:
+1 800 990 1135 (toll free in the US and Canada)
+1 651 453 2128 (outside the US and Canada)

By post:
Shareowner Services,
PO Box 64504, St Paul, MN 55164-0504, USA

Delivery of ADR certificates and overnight mail:

By post:
Shareowner Services,
1110 Centre Point Curve, Suite 101, Mendota Heights, MN 55120-4100, USA

Qualifying US and Canadian resident ADR holders should contact Shareowner Services for further details regarding the DRIP.

Shareholder Relations

If you have any questions for Barclays about your shareholding, please contact:

By email:
privateshareholderrelations@barclays.com

By post:
Shareholder Relations
Barclays PLC, 1 Churchill Place, London,
E14 5HP

Important Information

Forward looking statements

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 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. 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 directors, officers and employees of the Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, business strategy, income levels, costs, assets and liabilities, impairment charges, provisions, capital leverage and other regulatory ratios, capital distributions (including policy on dividends and share buybacks), return on tangible equity, projected levels of growth in banking and financial markets, industry trends, any commitments and targets (including environmental, social and governance (ESG) commitments and targets), plans and objectives for future operations and other statements that are not historical or current facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. 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, regulations, governmental and regulatory policies, expectations and actions, voluntary codes of practices and the interpretation thereof, changes in International Financial Reporting Standards and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the 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 incidents, pandemics and similar events beyond the Group's control; the impact of competition in the banking and financial services industry; capital, liquidity, leverage and other regulatory rules and requirements applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market related risks such as changes in interest rates and foreign exchange rates; reforms to benchmark interest rates and indices; higher or lower asset valuations; changes in credit ratings of any entity within the Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the conflicts in Ukraine and the Middle East on European and global macroeconomic conditions, political stability and financial markets; political elections; developments in the UK's relationship with the European Union (EU); the risk of cyberattacks, information or security breaches, technology failures or other operational disruptions and any subsequent impacts on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macro-economic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. Additional risks and factors which may impact the Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 258 of this Annual Report.

Subject to Barclays PLC's 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.

Climate and Sustainability report

The Climate and Sustainability report forms Part 2 of the Barclays PLC 2023 Annual Report. Parts 1, 2 and 3 together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

TCFD Strategy Recommendation A

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Risks and opportunities	66
Risks	67
Opportunities	70

TCFD Strategy Recommendation B

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Implementing our Climate Strategy	**72**
Achieving net zero operations	**73**
Operational footprint dashboard	75
All other narrative	76
Reducing our financed emissions	**80**
BlueTrack™ dashboard	88
All other narrative	89
Financing the transition	**101**
Sustainable finance dashboard	103
All other narrative	104
Working with our clients	**107**
Embedding climate and sustainability into our business	**121**
Just transition and nature and biodiversity	**124**
Engaging with industry	**126**
Barclays' approach to public policy	**129**

TCFD Strategy Recommendation C

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Resilience of our strategy	**130**
Scenario analysis	**131**
Barclays' resilience to climate scenarios	**132**
Climate stress tests	**132**
2023 Enhancements and beyond	**134**
Challenges and limitations	**135**
Macro-dependencies and objectives	**136**
Important information/disclaimers	**137**

Barclays' climate strategy

A strategy for a better financial future

Our climate strategy is driven by consideration of relevant risks and opportunities and in alignment with our Purpose: working together for a better financial future for our customers, clients and communities.

Barclays' climate strategy

1 Achieving net zero operations

Barclays is working to reduce its Scope 1, Scope 2 and Scope 3 operational emissions consistent with a 1.5°C aligned pathway, and counterbalance any residual emissions.

2 Reducing our financed emissions

Barclays is committed to aligning its financing with the goals and timelines of the Paris Agreement, consistent with limiting the increase in global temperatures to 1.5°C.

3 Financing the transition

Barclays is helping to provide the green and sustainable finance required to transform the economies, customers and clients we serve.

Our strategy is underpinned by the way we assess and manage our exposure to climate-related risk

We have a clear shareholder endorsed climate strategy to achieve our ambition of being a net zero bank by 2050, by achieving net zero operations, reducing our financed emissions and financing the transition.

We are committed to achieving net zero operations and have continued to make progress, achieving a 51%[Δ] reduction of Scope 1 and 2 location-based greenhouse gas emissions milestone ahead of schedule. We continued to source 100%[Δ] renewable electricity for our global real estate portfolio and met our 90% Scope 1 and 2 market-based emissions reduction target – reducing these emissions by 93%[Δ].

We are also committed to reducing our financed emissions, those deriving from the activities of the clients that we finance and those generated in their respective value chains, by providing financial advice and support as they transition to a low-carbon economy.

We have now set 2030 emissions reduction targets for eight of the highest-emitting sectors in our portfolio: Energy, Power, Cement, Steel, Automotive manufacturing, Aviation, Agriculture and Commercial Real Estate; and have assessed the baseline and convergence point for our UK Housing portfolio. This meets our commitment under the NZBA to set targets for material high-emitting sectors in our portfolio.

Our 2030 target-setting includes the integration of 1.5°C aligned scenarios, such as the IEA Net Zero 2050 scenario, in our financed emission targets, and includes ranges for certain sectors to reflect dependencies outside our control that will determine how quickly our financed emissions can be reduced in these sectors.

This year, we have further extended the scope of our calculations to cover the full in-scope balance sheet financed emissions, largely aligned to the PCAF Standard. We used our methodology for measuring our financed emissions and tracking them at a portfolio level against the goals and timelines of the Paris Agreement – this methodology is called BlueTrack™.

Capital is critical for a successful energy transition and we are focusing our financing to those clients actively engaged in the energy transition.

The scale of our business gives us the opportunity to help finance the energy transition – to use our global reach, products, expertise and position in the global economy to work with our clients, including those in the Energy sector, as they transition to a low-carbon business model.

To reduce reliance on fossil fuels the world needs to accelerate and scale the supply and capacity of renewables and climate tech solutions that will help to decarbonise high-emitting activities. The Climate Policy Initiative estimates that this requires at least $4.3trillion of climate finance a year by 2030[1].

Notes:

Δ 2023 data subject to independent limited assurance under ISAE (UK)3000 and ISAE 3410. Current limited assurance scope and opinion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

1 Climate Policy Initiative - Global Landscape of Climate Finance: A Decade in Data climatepolicyinitiative.org/wp-content/uploads/2022/10/Global-Landscape-of-Climate-Finance-A-Decade-of-Data.pdf

Barclays' climate strategy (continued)

Barclays is committed to help finance the energy transition, In 2022 we set a target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030.

During 2023, we facilitated $67.8bn[Δ] of sustainable and transition financing. $67.4bn was sustainable financing and $0.4bn[Δ] was transition financing that qualified against our new Transition Finance Framework.

We are also focused on investing and scaling the climate tech – hydrogen, carbon capture, batteries, amongst others – needed by society and our clients to transition, generate economic growth and create a new wave of green jobs. To support this, we have a mandate to invest up to £500m of Barclays' own capital by the end of 2027 and we have invested £138m into 21 innovative companies to date.

An important lever for reducing our financed emissions is our policy. In February 2024, we updated our Climate Change Statement with new restrictions on financing upstream oil and gas, including unconventional oil and gas and additional Enhanced Due Diligence (EDD) requirements for biomass.

Fossil fuels are still required for many essential activities – including electricity generation, transport and heating. In the International Energy Agency NZE scenario, new long lead time upstream oil and gas projects are not required on a 1.5°C-aligned pathway. For current and future (declining) global demand to be satisfied, investment is needed to support existing assets, while clean energy is scaled[2]. Barclays understands the critical importance of energy being secure, reliable and affordable for our customers and clients.

Barclays will continue to support an energy sector in transition, focusing on the diversified energy companies investing in low carbon and with greater scrutiny on those engaged in developing new oil and gas projects.

The trajectory for our clients' transition to a low-carbon economy is influenced by a number of external factors, including market developments, technological advancement, the public policy environment, geopolitical developments and regional variations, behavioural change in society and the scale of change needed to adapt their business models. Client transition pathways will vary, even within the same sectors and geographies.

Many highly carbon-intensive sectors require finance to transition to a low carbon economy. Restricting the flow of capital to these sectors could be harmful to the pace of the transition, limiting the real terms impact on global warming. The energy companies unable or unwilling to reduce their emissions or play a role in the energy transition may find it increasingly difficult to access financing from Barclays.

We are committed to continuing the work we began in 2020. Our climate strategy will continue to evolve and adapt in light of the rapidly changing environment and the need to support governments and clients, in our efforts to meet our ambition of being a net zero bank by 2050.

Notes:

Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

2 International Energy Agency - Net Zero Roadmap, 2023 Update iea.blob.core.windows.net/assets/9a698da4-4002-4e53-8ef3-631d8971bf84/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf

+ **Please see the Barclays Climate and Sustainability report from page 60 for further details on Barclays' ambition to be a net zero bank.**

Barclays' climate, sustainability, and ESG-related data, targets and progress can be found within the ESG Data Centre within our ESG Resource Hub.

Further details on our BlueTrack™ methodology can be found within our Financed Emissions Methodology paper (published in 2024) accessible at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Collaborating with the Transition Plan Taskforce

The Transition Plan Taskforce (TPT) was launched by HM Treasury in March 2022 with a mandate to bring together leaders from industry, academia, and regulators to develop good practice for transition plan disclosures for the finance sector and the real economy. Barclays participated in a number of working groups for the TPT, including inputting into the Banks Sector Guidance – which adds further depth and detail for preparers of transition plans operating in the banking sector. Barclays contributed to the development of the additional guidance, sharing its views on particular nuances of transition planning for banks – including the incorporation of nature and just transition elements. The guidance was published for consultation in October 2023, with Barclays participating in the launch event.

+ **Further details can be found at:**
transitiontaskforce.net/wp-content/uploads/2023/11/TPT-Banks-Sector-Guidance.pdf

Our approach to TPT disclosures

Over 2023, Barclays participated in a number of working groups of the Transition Plan Taskforce (TPT), supporting the development of its framework for transition plan disclosures. We are developing our approach to the TPT's recommendations, taking into account relevant guidance as it develops, and elements of the TPT's Disclosure Framework (including the Implementation Guidance and draft Banks Sector Guidance) are addressed in our climate related disclosures included in this Annual Report. During 2024, we will look to further develop elements of our climate disclosures including transition planning. This will be reflected in future disclosures, as we work towards publishing our own transition plan.

Barclays' climate strategy (continued)

Our strategy, selected targets and progress

The table below sets out selected targets and policies we have previously announced, progress against them, as well as new announcements as of the publication of this Annual Report.

Strategic pillar		Previously Announced Target/Policy	Progress	New Announcement
1 Achieving net zero operations	By end 2025		2023 performance	We are working towards the following milestones
	Energy	• 100% renewable electricity sourcing for our global real estate portfolio by end of 2025	100%Δ sourced	N/A
	Reduction of GHG emissions	• 90% reduction in Scope 1 and 2 GHG emissions (market-based, against a 2018 baseline)	-93%Δ reduction	N/A
2 Reducing our financed emissions Portfolio reduction targets/ convergence point	By the end of 2030		Cumulative change	By the end of 2030
	Energy[1]	• 40% reduction in absolute CO_2e emissions against a 2020 baseline of 75.4Δ MtCO_2e (Scopes 1, 2 & 3)	-44%	N/A
	Power[1]	• 50-69% reduction in CO_2e emissions intensity against a 2020 baseline of 326Δ kgCO_2e/MWh (Scope 1)	-26%	N/A
	Cement[1]	• 20-26% reduction in CO_2e emission intensity against a 2021 baseline of 0.626Δ tCO_2e/t (Scopes 1 & 2)	-8%	N/A
	Steel[1]	• 20-40% reduction in CO_2e emissions intensity against a 2021 baseline of 1.945Δ tCO_2e/t (Scopes 1 & 2)	-16%	N/A
	Automotive manufacturing[1]	• 40-64 % reduction in CO_2e emissions intensity against a 2022 baseline of 174.8Δ gCO_2e/km (Scopes 1, 2 & 3)	0%	N/A
	UK Housing[1]	• Convergence point: 40% reduction in CO_2e emissions intensity against a 2022 baseline of 32.0Δ kgCO_2e/m^2 (Scopes 1 & 2) for formerly UK Residential Real Estate	+1%	• Convergence point: 40% reduction in CO_2e emissions intensity against a 2023 baseline of 32.1Δ kgCO_2e/m^2 (Scopes 1 & 2) for expanded scope covering social housing and business banking real estate
	UK Commercial Real estate	N/A	N/A	• 51% reduction in CO_2e emissions intensity against a 2023 baseline of 30.0Δ kgCO_2e/m^2 (Scopes 1 & 2)
	UK Agriculture - Livestock & Dairy	N/A	N/A	• 21% reduction in absolute CO_2e emissions against a 2023 baseline of 2.4Δ MtCO_2e (Scopes 1, 2 & 3)
	Aviation	N/A	N/A	• 11-16 % reduction in CO_2e emissions intensity against a 2023 baseline of 882Δ gCO_2e/RTK (Scopes 1 & 3)

Notes:
Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub for further details: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/
1 Reported values marked with Δ have been re-baselined in the current year.

Barclays' climate strategy (continued)

Strategic pillar		Previously Announced Policy	New Announcements[1]	
			Project level restrictions	**Entity level restrictions**
2 **Reducing our financed emissions** Restrictive policies[2]	Upstream Oil & Gas	N/A	From 9 February 2024: • We will not provide *project finance* for *expansion* projects or for infrastructure projects primarily to be used for such *expansion* projects. • We will not provide other *direct financing* to *Energy Groups* for *expansion* projects or infrastructure projects primarily to be used for such *expansion* projects.	From 9 February 2024: • We will not provide *financing to new clients* that are *Energy Groups* where more than 10% of their total planned oil & gas capital expenditure is in *expansion*. By 1 January 2025: • We expect all *Energy Groups* to be producing relevant information in relation to their transition plans or decarbonisation strategies. From 1 January 2025: • Any new *financing* or renewal of existing *financing* for *Non-diversified Groups* where more than 10% of their total planned oil & gas capital expenditure is in *long-lead expansion* would be by exception. From 1 January 2026: • We will only provide *financing* to *Energy Groups* if they are able to demonstrate that they are committed to reducing their own emissions by having: – net zero-aligned *near-term* Scope 1 and 2 emissions reduction targets (absolute or intensity-based); and – targets to reduce methane emissions by 2030, aligned with OGCI, OGMP2.0 or similar industry guidance; and – a commitment to end all routine / non-essential venting and flaring by 2030.
	Unconventional Oil & Gas	• Existing project and entity level restrictions on unconventional oil & gas (including *Arctic Circle* oil & gas, *Hydraulic Fracturing* and *Oil Sands*) remain in place.	From 9 February 2024: • We will not provide *direct financing* to *Energy Groups* for any oil & gas projects in the *Amazon Biome*, or any oil & gas projects involving *Ultra-Deep Water* and/or *Extra Heavy Oil*, or infrastructure projects primarily to be used for such oil & gas projects.	From 30 June 2024: • We will not provide *financing* to *Energy Groups* whose aggregate share of production in *Oil Sands, Extra Heavy Oil, Hydraulic Fracturing* in the UK/EU, and *Arctic Circle* oil & gas exceeds 20% of their total oil & gas production. • We will not provide *financing* to Clients *engaged in* exploration, appraisal, development, and production of oil & gas in the *Amazon Biome*.
	Thermal Coal Mining	• Existing project and entity level restrictions on *thermal coal* mining remain in place.	From 9 February 2024: • No *project finance* for greenfield development or *material expansion of thermal coal* mines anywhere in the world, including *captives*. (**Note**: this was an update to an existing restriction to include *captives)* • No *project finance* for development of infrastructure projects primarily to be used for *thermal coal* mines anywhere in the world.	
	Thermal Coal Power	• Existing project and entity level restrictions on *thermal coal*-fired power remain in place.	From 9 February 2024: • No *project finance* to enable construction or *material expansion* of *thermal coal*-fired power plants anywhere in the world, including *captives*. (**Note**: this was an update to an existing restriction to include *captives*)	

Notes:
1 For details on the exact scope and application of these restrictions please refer to the Climate Change Statement found at: home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/
2 Words in italics are defined in the Climate Change Statement found at: home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/

Barclays' climate strategy (continued)

Strategic pillar		Previously Announced Target/Policy	Progress
3 Financing the transition	**Previously Announced Target**		**2023 performance**
	Sustainable financing	• Facilitate \$1trn of Sustainable and Transition Financing between 2023 and end of 2030 • Facilitate £100bn of green financing between 2018 and 2030	• \$67.8bn△ • £25.9bn△ (Cumulative performance: £113.7bn△)
	Sustainable Impact Capital	• Increase mandate to invest up to £500m of Barclays' capital in global climate tech start-ups by the end of 2027	• £49.49m (£138.4m invested by the end of 2023)

△ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Barclays' climate strategy (continued)

Climate Action Roadmap

Barclays has been taking action on climate change for a number of years. The below roadmap highlights key targets, actions and policies relating to achieving net zero operations, reducing our financed emissions and financing the transition. These are key milestones on the way to achieving our ambition to be a net zero bank by 2050.

Pre-2018
- Joined Paris Pledge for Action in 2015
- Signed statement of support of the FSB's[1] TCFD[2] in 2017

2018
- Announced 2025 £150bn social and environmental financing target and 2030 £100bn green financing target
- One of the first UK banks to launch a 'Green Home Mortgage'
- Announced targets to reduce operational emissions by 80% and procure 90% renewable energy by 2025[4]

2019
- Joined PACTA[5] pilot
- Published Climate Change Statement[3] setting out restrictions for sensitive sectors

2020
- Announced ambition to be a net zero bank by 2050
- Launched BlueTrack™ with 2025 Energy and Power targets[6]
- Launched £175m Sustainable Impact Capital[8] initiative

2021
- Founding member of the NZBA[9]
- Exceeded target to facilitate £150bn of social, environmental and sustainability-linked financing by 2025
- Exceeded 2025 operational emissions and energy targets[4]

2022
- Announced 2030 Energy, Power, Cement and Steel targets[6]
- Announced $1tn Sustainable and Transition Financing target and increased SIC[8] mandate to invest up to £500m
- Announced new operational emissions and electricity sourcing targets[4]
- Elevated Climate risk to a Principal Risk
- Held a 'Say on Climate' advisory vote

2023
- Announced 2030 Autos target, convergence point for UK Housing[7] and ambition for 50% of mortgages to have EPC C or better by 2030[6]
- Expanded our net zero operations approach and announced new operational milestones[4]
- Exceeded target to facilitate £100bn of green financing by 2030
- Financing restrictions came into effect for certain thermal coal mining, coal power and oil sands clients[3]

2024
- Updated Climate Change Statement with new financing restrictions for upstream oil and gas[3]
- Announced 2030 targets for Agriculture, Commercial Real Estate, and Aviation, and updated scope for UK Housing[7] convergence point[6] and EPC ambition
- Estimated full in-scope balance sheet financed emissions using methodology developed using PCAF[10] Standard[11]

2025
- Tightened financing restrictions for coal-fired power generation clients will come into effect[3]
- Transition plan expectations for Energy Groups will come into effect[3]

2026
- Minimum requirements for Scope 1 and 2 targets, methane abatement and venting/flaring for Energy Groups will come into effect[3]

2030
- Financing to thermal coal mining or coal-fired power generation clients in the EU and OECD will be phased out[3]
- Financing to clients with >10% revenue from thermal coal mining or coal-fired power generation in the RoW will be restricted[3]

2035
- All financing to thermal coal mining or coal-fired power generation clients will be phased out[3]

2050
- NZ ambition

Notes:
1 Financial Stability Board | 2 Taskforce on Climate-related Financial Disclosures | 3 See our Climate Change Statement updated in February 2024 for further details including on scope and definition | 4 See section on Net Zero Operations | 5 Paris Agreement Capital Transition Assessment | 6 See section Reducing our financed emissions | 7 Originally called Residential Real Estate, updated in 2024 | 8 Sustainable Impact Capital | 9 Net-Zero Banking Alliance | 10 Partnership for Carbon Accounting Financials | 11 PCAF Standard - PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Risk and opportunities

TCFD Strategy Recommendation A:

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Risks and opportunities	**66**
Risks	67
Opportunities	70

TCFD Strategy Recommendation B:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Implementing our climate strategy	**72**
Achieving net zero operations	**73**
Operational footprint dashboard	75
All other narrative	76
Reducing our financed emissions	**80**
BlueTrack™ dashboard	88
All other narrative	89
Financing the transition	**101**
Sustainable finance dashboard	103
All other narrative	104
Working with our clients	**107**
Embedding climate and sustainability into our business	**121**
Just transition and nature and biodiversity	**124**
Engaging with industry	**126**
Barclays' approach to public policy	**129**

TCFD Strategy Recommendation C:

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Resilience of our strategy	**130**
Scenario analysis	**131**
Barclays' resilience to climate scenarios	**132**
Climate stress tests	**133**
2023 Enhancements and beyond	**134**
Challenges and limitations	**135**
Macro-dependencies and objectives	**136**
Important information/disclaimers	**137**

Risk and opportunities

TCFD Strategy Recommendation (a)

Climate-related risks identified over the short, medium and long term

Our climate strategy is underpinned by the way we assess and manage our exposure to climate-related risks. Climate risk is a Principal Risk within the Barclays Enterprise Risk Management Framework.

Barclays faces exposure to climate-related risks either directly through its operations and infrastructure or indirectly through its financing and investment activities. The two main categories of climate-related risks are physical risks and transition risks.

Physical risks

Physical risks result from a changing climate and can be event-driven (acute risks), including increased frequency and/or severity of extreme weather events such as cyclone, hurricanes and flooding. Physical risks can also be driven by longer-term shifts in climate patterns (chronic risks) from sustained higher temperatures, leading to rising sea levels, rising mean temperatures and more severe weather events.

Transition risks

Transition risks result from the transition to a lower-carbon economy. This is likely to involve significant, rapid policy, regulatory and legal changes, as well as the evolution of technology and markets to adapt to a changing climate and associated impacts.

Time horizons

The impact of physical and transition risks can be significant and widespread, affecting Barclays' portfolio and financial performance over short-, medium- and long-terms horizons.

In the short term, physical risks arising from extreme weather events and climate-related disasters pose a direct threat to Barclays' physical assets and infrastructure. This can potentially result in immediate losses, increased costs for repair and higher insurance premiums. Similarly, acute events may also potentially damage the physical facilities of Barclays' clients or cause business disruptions, which may adversely impact the value of clients' assets, reduce their profitability and subsequently lead to potential increase in credit risk for Barclays. Additionally, operations in regions prone to high physical risks may also experience higher insurance premiums or limited insurance coverage.

Transition risks are expected to occur in all timeframes, but more broadly over the medium term. The cost of transitioning to cleaner technologies and sustainable business practices may strain the financial resources of businesses, affecting profitability and long-term viability. Financial institutions like Barclays could also face significant increases in costs and resources allocated to adhere to new policies, laws and regulations aimed at transitioning to a lower-carbon economy. This in turn may lead to higher conduct and operational risks to Barclays. At an individual level, there may be challenges related to employment opportunities as businesses transition away from carbon-intensive practices. This in turn may impact the creditworthiness of Barclays' clients and their ability to repay loans.

Transition risks aimed at mitigating climate change can also impact the profitability and value of assets in Barclays' portfolio, particularly those linked to carbon-intensive industries. Companies perceived as slow to adapt or unresponsive to environmental concerns may face reputational damage or legal actions leading to decreased customer trust and investor support.

With escalating concerns and heightened global awareness of climate risks, it is likely that litigation linked to these risks will increase. Additionally, Barclays may face greater scrutiny of the type of business it conducts – including in the form of adverse media coverage and an increase in climate-related litigation cases. This in turn may adversely impact customer demand for Barclays' products, returns on business activities, value of assets and trading positions, resulting in higher impairment charges.

Looking to the longer term, the cumulative effects of global temperature rise are likely to become increasingly pronounced – influencing ecosystems, sea levels and societal structures. Climate change can also trigger tipping points through feedback loops that amplify its effects. Certain tipping points are already underway, manifesting in observable changes across the globe. Different tipping elements, such as the melting of ice sheets or changes in ocean circulation, have varying time horizons. As the science develops, we are observing that some tipping points may run on a shorter timeline than initially expected. Accordingly, the uncertainty of exact timeframes in which such tipping points are expected to materialise adds a layer of complexity – making it challenging to precisely predict when impacts will materialise.

When considering the timescales of climate-related risks, Barclays has categorised short, medium and long term as follows:

- Short term (S): 0-1 year
- Medium term (M): 1-5 years
- Long term (L): 5-30 years.

The short-term timescale coincides with the short-term plan for annual budgets and granular financial plans. The medium term coincides with the five-year financial, capital and funding plans.

Climate change as a driver of risk

The feedback effects of climate risk drivers through macro and micro transmission channels are observed in Barclays' portfolio through traditional risk categories such as credit risk, market risk, treasury and capital risk, operational risk and reputational risk. The approach to identifying, measuring and managing climate-related risks is consistent with other key risks, however there remains significant uncertainty around when these risks will materialise.

Climate risk is integrated into the broader Enterprise Risk Management Framework, aligning with other Principal Risks and ensuring a holistic approach to risk identification, assessment and management. Barclays' Climate Risk Framework facilitates a structured integration of climate risk considerations into the Bank's operations. It undergoes regular reviews and updates – including changes to risk taxonomy, definitions and methodology – to align with changing regulatory expectations and external developments. Following the annual review of the Climate Risk Framework in 2023, Barclays no longer considers that a separate category is needed to capture second-order impacts of physical and transition risk, as these impacts are already being captured and managed within the existing assessments and framework. Therefore, connected risks no longer features as a separate category.

The potential impacts of physical and transition risk drivers will vary across Barclays' portfolios depending on composition, industry, geographic location, business operations and other contextual factors.

The tables below set out the example drivers, example potential impacts and expected time horizons of various physical and transition risks.

+ **Further details on how Barclays manages climate risk can be found on** pages 272 to 276.

Risk and opportunities (continued)

TCFD Strategy Recommendation (a)

Transition risks	Policy and legal	Reputation	Technology	Market
Example drivers	• Carbon tax impacting sectors and clients • Enhanced GHG reporting obligations • Government and non-governmental organisations taking litigation actions	• Increased stakeholder concern or negative stakeholder feedback • Shifts in consumer preferences • Stigmatisation of sectors	• Disruptive substitute technologies being favoured because of lower carbon footprint • Development of emissions capture and recycling facilities • Investments in new technologies	• Changes in supply and demand of raw materials • Uncertainty in market signals • Changing market sentiment
Example potential impacts	• Increased operating costs for compliance or due to fines from regulators or damages from litigation • Write-offs and early retirement of assets due to policy changes • Changes in asset valuations	• Increased costs and reduced demand for products and services • Decreased production capacity due to poor employee attraction and retention • Reduction in capital availability	• Write-offs and early retirement of assets • Research and development expenditure in new technologies • Costs for adoption of new practices and processes	• Increased costs and reduced demand for products and services • Increased production costs due to changing input prices and output requirements • Decreased revenue and repricing of assets
Expected time horizons	S, M, L			

Physical risks	Acute	Chronic
Example drivers	• Damage to fixed assets and infrastructure (e.g. property, power supplies) by wildfires • Adverse impact on agriculture and production of soft commodities due to drought • Transport difficulties and damage to infrastructure due to severe storm and flooding	• Change in weather and precipitation patterns resulting in reduced agricultural yields and land no longer suitable for farming • Potential population migration due to uninhabitable land • Increase in sea levels and consequent coastal erosion requiring building of new seawall and flood defences • Rising temperatures resulting in diminished productivity and health issues
Example potential impacts	• Increased costs due to damage to facilities • Reduced revenue from decreased production capacity • Increased operating costs and decrease in sales due to unavailability of raw materials and supply chain disruptions	• Reduced revenue from decreased production capacity and early retirement of assets • Decrease in property values • Increased costs and insurance for assets in high-risk locations • Reduced revenue from lower sales and output
Expected time horizons	S, M, L	M, L

Risk and opportunities (continued)

TCFD Strategy Recommendation (a)

Building our understanding of nature-related risk

Nature-related risks arise from an organisation's dependencies and impacts on nature. These risks can be physical risks and transition risks, which in turn can present financial risks[1].

As such, this year we have undertaken further work to develop our understanding of nature-related risks and how these relate to different industry sectors. Building on last year's heatmap analysis, we have updated our approach using publicly available data and explored a wider set of impacts and dependencies. This work has been designed to help build our understanding of the material nature-related impacts, dependencies, risks and opportunities within priority industry sectors, and indicate where we might focus further analysis, as we continue to build our nature related assessment and decision-

The secret office supply is a "calculator".

Through this heatmap by mapping industry classification codes and the associated qualitative nature-related impact and dependency ratings from ENCORE[2] and SBTN[3] to Barclays' internal sector classifications. The mapping was undertaken for sectors with material impacts and dependencies as identified by TNFD in its Guidance for Financial Institutions[4].

We then undertook an exploratory exercise which highlighted in which of these industry sectors particular nature-related impacts and dependencies are most likely to occur.

This work created a heatmap with ratings representing an average global view of the potential impacts and dependencies that may be associated with the direct operations of companies in these sectors.

The preliminary heatmap analysis highlighted that, for most of the priority industry sectors, there are a number of potential impacts and dependencies rated as high or very high, including impacts related to land-use change, water use and pollution, as well as dependencies on ecosystem services such as ground and surface water, climate regulation and flood-storm protection. These insights will be used to help inform our future analysis, taking into account that this represents one cific nature related risks tor might vary substantially from company or project and an aggregated heatmap is not necessarily representative of the actual impacts and dependencies of Barclays' client base.

Our proposed next steps include building on the TNFD LEAP pilot undertaken in 2022/2023 to conduct further sector-level analysis, taking into account the results of the heatmap, Barclays' exposure and client base and emerging thinking on impact and risk data and methodologies.

Notes:

1 Source: tnfd.global/wp-content/uploads/2023/08/Recommendations_of_the_Taskforce_on_Nature-related_Financial_Disclosures_September_2023.pdf?v=1695118661

2 ENCORE stands for Exploring Natural Capital Opportunities, Risks, and Exposure and is a tool developed by Global Economy, UNEP-FI, and UNEP-WCMC.

3 SBTN stands for Science Based Targets Network and builds on the momentum of the Science Based Targets initiative helping companies set science-based targets for nature.

4 Source: tnfd.global/wp-content/uploads/2023/08/Guidance_for_Financial_Institutions_v1.pdf

Nature-related data, models and methodologies are a nascent area and therefore evolving and reliant on externally sourced data mapped to internal sector identifiers, with various limitations. We will continue to review the applied data, models, and methodologies, as such the results of similar assessments are likely to change in the future.

Risk and opportunities (continued)

TCFD Strategy Recommendation (a)

Climate-related opportunities identified over the short, medium and long term

Barclays has enhanced its focus on sustainable and transition finance over the last two years. At the end of 2022, we announced a new target to facilitate $1trn of Sustainable and Transition Finance. This followed a review of the financing requirements arising from the global transition to a low-carbon economy if the world is to avoid the worst effects of climate change and the potential addressable market for Barclays. During 2023 we built on this work to develop a Group-wide sustainable finance strategy to operationalise our ambition.

The market opportunity

We recognise the opportunities arising from the global transition to a low-carbon economy – which will involve scaling up zero or near-zero emitting technologies and businesses and supporting emissions reductions in high-emitting and hard-to-abate sectors if the world is to avoid the worst effects of climate change.

In 2022, we completed a review of the market and identified three medium-term thematic areas of potential opportunity for Barclays, as outlined below. Although markets may have evolved during 2023 we believe these still represent growth opportunities for Barclays.

Energy Transition Finance

The analysis indicated that, based on current policy, technology and market developments, Energy Transition Finance – including renewables and nascent or early-stage climate technologies that are needed to scale to support the transition to net zero – represents an estimated 10-year addressable opportunity of over $16trn across North America, Europe and Asia Pacific (excluding China).

This extends to up to $24trn over the same time period if policy, technology and market developments step up to deliver on net zero by 2050.

This consists of a number of mature and scaling technologies with renewable energy (including wind and solar) and low-emissions transport (including electric vehicles, fuel cell electric vehicles and mass transit) expected to make up over half of the addressable market through to 2030. The analysis also indicated significant longer-term opportunities in financing the scaling of capabilities in nascent technologies such as carbon capture utilisation and storage (CCUS) and hydrogen solutions.

Sustainable finance instruments

Sustainable finance instruments represent an estimated $3.5trn-6trn annual issuance opportunity through to 2030 across North America, Europe and Asia Pacific (excluding China), with Europe expected to remain the primary market for ESG debt.

The analysis indicated that all ESG instruments are expected to grow to 2030 with ESG debt excluding green bonds and loans represents an estimated 10-year $400-650bn cumulative financing opportunity for Barclays based on our global market share in sustainable finance instruments.

Retail and business banking

Barclays UK recognises the environmental and societal benefits – and the commercial opportunities – that can be delivered through financing the UK economy's transition to net zero. Embracing the challenge of capturing opportunities from the transition to a low-carbon economy aligns with Barclays' Purpose and positions us to capitalise on the growing market for sustainable finance.

Our 2022 market review indicated that, within the UK, sustainable opportunities in retail and business banking represent a $225-286bn market opportunity by 2025, increasing to an estimated $640bn-1trn by 2030.

According to our 2022 market review, Green Home Mortgages represent the largest individual market for Barclays UK by 2030. We are actively exploring ways to unlock the decarbonisation of homes at scale by developing secured and unsecured lending for energy-efficiency-related technologies. We are also exploring strategic partnerships to provide customers and businesses with financing and guidance to make more sustainable choices. However, there are significant dependencies for this opportunity to be realised – namely customer demand, supply chain maturity and policy intervention.

Assessing the market opportunity

To determine the addressable global market for sustainable finance to 2030, Barclays' 2022 market review leveraged widely used and credible third-party sources including the IEA, IRENA, Climate Bonds Initiative and the IFC as well as Barclays' own industry, ESG and market research. The analysis considered the investment needed through to 2030 for the world to align to net zero, including the accelerated scenarios reflecting possible policy and market developments. Having determined the global addressable market, Barclays developed scenarios for the Bank's potential market for various asset classes, product sets, technological sectors and geographic markets, validated through comparison with historic growth rates and our projected share of the overall market.

$1trn Sustainable and Transition Financing Target

Following analysis of the market opportunity for sustainable financing, together with a review of the Group's capabilities, in December 2022 we announced a new target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030,

+ **Further details of Barclays' sustainable finance targets can be found on page 101 and further details on how Barclays' products and services are harnessing these opportunities from** page 107.

We recognise that we must tackle the decarbonisation of 'hard-to-abate' sectors that are carbon intensive – including through scaling and commercialising new technologies such as hydrogen and carbon capture.

During 2023 we developed a Transition Finance Framework, which we announced in early 2024. The Transition Finance Framework sets out the criteria for the inclusion of transition financing in our $1trn target. The inclusion of transition financing reflects our recognition of the importance of lending and facilitating funding and investing in technologies and activities that support GHG emission reduction (directly or indirectly) in high-emitting and hard-to-abate sectors.

+ **Further details of Barclays' Transition Finance Framework can be found on** page 104.

Risk and opportunities (continued)

TCFD Strategy Recommendation (a)

Group sustainable finance strategy

Following the appointments of the CIB Head of Sustainable Finance in November 2022 and the Barclays UK Head of Social Purpose and Sustainable Finance in January 2023, a significant piece of work was undertaken to develop a Group sustainable finance strategy, which was presented to and discussed with the Board in July 2023.

This work built on the findings of the 2022 market opportunity analysis and considered Barclays ' competitive strengths to identify strategic opportunities in sustainable and transition finance where we believe Barclays can differentiate itself and best support our clients and the global economy to accelerate the transition to net zero. The strategy aligns with the climate and environmental themes that were identified when we announced our $1trn Sustainable and Transition Financing target in December 2022 and therefore underpins our plan to deliver that ambition.

In the development of the strategy, we identified three sustainability themes which are important in the journey towards a net zero and sustainable future, where we see significant commercial opportunity and where we believe we can focus and differentiate:

1 Decarbonising industry

2 Contributing to a nature-positive food system

3 Supporting consumers on the path to net zero

We also identified three pillars of competitive advantage for Barclays across those sustainability themes, through which we believe we can deliver for our clients by working collectively across our different businesses:

1 Our strength in the UK

2 Our focus on being a leading partner to climate technologies

3 The strength of our business across sustainable credit markets

The graphic below provides a summary of the themes and pillars. At the intersection of each theme and pillar we are developing tailored products and services for our clients and customers to help them deliver on their transition and sustainability objectives.

For example, with our focus on climate technologies, we are supporting the development of start-ups in targeted technologies and nature from idea to IPO. We are also advising sustainable and Agtech companies on areas such as raising finance and M&A.

Through our sustainable finance strategy and our $1trn Sustainable and Transition Financing target, we have set out an ambition and approach that will support our clients and customers in their transition. Delivery of the strategy will require a multi-year investment in our people and capabilities, which we are now accelerating the execution of.

Identifying nature-related opportunities

Nature-related financing presents future opportunities for the financial sector given the capital requirements to address and reverse nature loss: the biodiversity financing gap is estimated to be $700bn per year[1]. As we execute our sustainable finance strategy, we aim to identify opportunities to play a role in supporting the financing of nature.

+ See section Financing nature on page 105 for details of our approach.

Note:
1 cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf

Our strategy to deliver on our sustainable finance ambition

Three pillars where we can deliver for clients and stakeholders:

Support UK net zero
- Facilitate the flow of capital to consumers and businesses
- Deliver on our social purpose agenda by supporting the just transition

Leading climate tech partner
- Facilitate the flow of capital to new and existing technologies critical to the net zero transition
- Develop expertise and infrastructure financing solutions for the deployment of new technologies
- Support climate tech companies across the lifecycle, from startup to IPO

Sustainable credit markets
- Leverage strength in credit markets to facilitate clients' transition plans
- Play a leading role in the creation of carbon and biodiversity markets
- Unlock additional sources of capital, including through securitisation, savings and investments

Three sustainability themes where we can focus and differentiate:

Decarbonising industry
Support SMEs and corporates across major industries to decarbonise, deploy new technology and manage their transitions

Contributing to a nature-positive food system
Drive the evolution to sustainable agriculture and foods, and facilitate regenerative land use

Supporting consumers on the path to net zero
Provide financing to facilitate consumer products to live and act sustainably, and support consumer-oriented climate tech and financing models

Implementing our climate strategy

TCFD Strategy Recommendation A:

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Risks and opportunities	**66**
Risks	67
Opportunities	70

TCFD Strategy Recommendation B:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Implementing our climate strategy	**72**
Achieving net zero operations	**73**
Operational footprint dashboard	75
All other narrative	76
Reducing our financed emissions	**80**
BlueTrack™ dashboard	88
All other narrative	89
Financing the transition	**101**
Sustainable finance dashboard	103
All other narrative	104
Working with our clients	**107**
Embedding climate and sustainability into our business	**121**
Just transition and nature and biodiversity	**124**
Engaging with industry	**126**
Barclays' approach to public policy	**129**

TCFD Strategy Recommendation C:

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Resilience of our strategy	**130**
Scenario analysis	**131**
Barclays' resilience to climate scenarios	**132**
Climate stress tests	**132**
2023 Enhancements and beyond	**134**
Challenges and limitations	**135**
Macro-dependencies	
Important information/disclaimers	**137**

The secret drink is a "smoothie".

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 1

Achieving net zero operations

Although financed emissions account for the greatest proportion of our climate impact, we have also continued addressing our operational emissions – an important factor in meeting our ambition to be a net zero bank by 2050.

Defining net zero operations

We define net zero operations as the state in which we will achieve a GHG reduction of our Scope 1, Scope 2 and Scope 3 operational emissions[1] consistent with a 1.5°C-aligned pathway and counterbalance any residual emissions.

We continue to review and develop our approach to net zero operations as standards to understand and define net zero evolve rapidly.

Net zero operations strategy

Our net zero operations strategy has two components:

- Reduce our Scope 1 and 2 emissions through energy efficiency, electrification of our buildings and vehicles, renewable electricity sourcing and replacing fossil-fuel-powered infrastructure with low-emission alternatives
- Reduce Scope 3 operational emissions by engaging with our key stakeholders, including suppliers[2] and colleagues, to track, manage and reduce their GHG emissions – while embedding net zero principles across our policies and contractual requirements.

Progress to date

In 2023 we achieved our milestone[3] of 50% reduction of our Scope 1 and 2 location-based GHG emissions ahead of 2030 – reducing these emissions by 51%[Δ]. We continued to source 100%[Δ] renewable electricity[4] for our global real estate portfolio[5] and continued to meet our 90% Scope 1 and 2 market-based emissions reduction target[6] – reducing these emissions by 93%[Δ].

Key contributors to our progress include global real estate portfolio right-sizing[7] and energy efficiency programmes, as well as company vehicles electrification, and our continued focus on renewable electricity sourcing.

For our Scope 3 operational emissions, our focus remained on engaging with our key stakeholders and making data enhancements, particularly by acquiring primary supplier data and evolving our accounting methodology in line with industry standards and best practice. We also continued to pursue the integration of ESG considerations and expectations into processes throughout the procurement lifecycle.

We expect that our progress against our net zero operations targets and milestones is likely to be variable and non-linear. Our net zero operations strategy is dependent on broader industry, technological and regulatory changes that are outside Barclays' control and may affect our ability to achieve our targets and milestones. Further, as the accounting standards and data underlying our net zero operations strategy continue to evolve and be refined, this could impact our metrics, targets and milestones. Progress against our targets and milestones may also be impacted by management decisions based on key drivers unrelated to climate, for example prudent risk management practices.

Our intent is to enhance data collection and accuracy to help identify key contributors to our impact, determine opportunities for improvement, and support the integration of sustainability into our business operations.

Notes:

Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

1 We define our Scope 3 operational emissions to include supply chain, waste, business travel and leased assets.

2 In this Achieving net zero operations section, when referring to suppliers and supply chain, we are referring to Third-Party Service Suppliers (TPSPs).

3 In this Achieving net zero operations section, a reference to a "milestone" denotes an indicator we are working towards and report against.

4 We maintained 100% renewable electricity sourcing for our global real estate portfolio through instruments including green tariffs (55%) and energy attribute certificates (EACs)(45%).

5 Global real estate portfolio includes offices, branches, campuses and data centres.

6 In this Achieving net zero operations section, a reference to a "target" denotes an indicator linked to our executive remuneration.

7 By right-sizing, we are optimising our space and associated resources for our operational needs.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 1

Our net zero operations approach

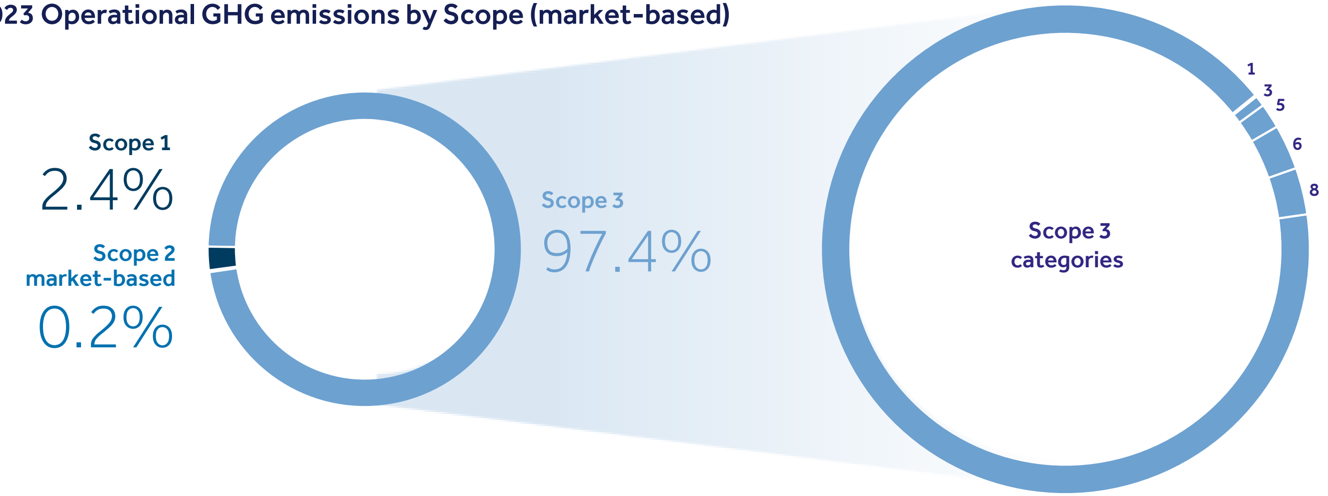
By the end of	Scope 1 and 2	2022 performance	2023 performance	Scope 3	2022 performance	2023 performance
2025	100% renewable electricity sourcing for our global real estate portfolio	100%	100%Δ	We intend to work towards the milestone[2] of 70% of our suppliers, by addressable spend[9], having science-based GHG emissions reduction targets[4] in place	47%[5]	57%[5]
	90% reduction in our Scope 1 and 2 GHG emissions (market-based against a 2018 baseline)	91%	93%Δ			
	100% electric vehicles (EV) transition for UK company cars	55%	88%			
2030	100% EV or ultra-low emissions vehicles (ULEV) for all company cars	24%	42%	We intend to work towards the milestone[2] of 90% of our suppliers, by addressable spend[9], having science-based GHG emissions reduction targets[4] in place	47%[5]	57%[5]
	50% reduction in our Scope 1 and 2 GHG emissions (location-based against a 2018 baseline)	43%	51%Δ	We intend to work towards the milestone[2] of 50% GHG supply chain emissions reduction (against a 2018 baseline[6])	17%[6]	28%[6]
2035	We intend to work towards the milestone[2] of 115 kWh/m²/year average energy use intensity across our corporate offices	260 kWh/m²/year[1]	228 kWh/m²/year (-27% against 2018 baseline)	We intend to work towards the milestone[2] of 90% diversion of waste from landfill, incineration and the environment across key campuses[7]	49%[8]	53%
	We intend to work towards the milestone[2] of 10 MW on-site renewable electricity capacity installed across our portfolio	0.30MW[3]	0.40MW (<1% total electricity use)			
2050				We intend to work towards the milestone[2] of 90% GHG supply chain emissions reduction (against a 2018 baseline[6])	17%[6]	28%[6]

Notes:
1 We have updated internal and external data which has resulted in minor updates to FY2022 EUI performance (a change from 265kWh/m2/year to 260 kWh/m2/year).
2 In this Achieving net zero operations section, a reference to a "milestone" denotes an indicator we are working towards and report against.
3 We have updated internal data which has resulted in minor updates to FY2022 on-site renewable electricity capacity (from 0.26MW to 0.30MW).
4 Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals and timelines of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. The Science Based Targets initiative (SBTi), a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), provides companies with independent assessment and validation of targets and is currently the internationally accepted standard.
5 Indicative number provided to illustrate the number of suppliers by total addressable spend that have committed to or have science-based targets in place. In our 2022 Annual Report we reported 47% progress based on a review of our top 500 suppliers by addressable spend. Our current progress is reported here based on a review of our top 2,000 suppliers by addressable spend.
6 Based on our indicative supply chain emissions inventory. DEFRA conversion factors – which Barclays uses to calculate spend data into supply chain emissions – were revised in 2023. These have been retrospectively applied to Barclays' 2018 baseline and 2022 disclosure, resulting in an increased 2018 baseline and recalculated 2022 metrics. In FY 2022 we reported 8% reduction in our supply chain GHG emissions and due to the changes in the DEFRA conversion factors and updated internal data, we recalculated the 2022 figure to be 17%. As our suppliers continue to develop the quality of emissions data for the goods and services we purchase, our reliance on spend data to calculate our emissions will reduce and the volume of primary data will increase.
7 Campuses include 1 Churchill Place, Radbroke, Northampton, Glasgow, Pune, Whippany, 745 7th Avenue, Dryrock.
8 Reported waste diversion performance for FY2022 has been recalculated from 65% to 49%, to account for an update in external data.
9 Addressable spend is defined as external costs incurred by Barclays in the normal course of business where Procurement has influence over where the spend is placed. It excludes costs such as regulatory fines or charges, exchange fees, taxation, employee expenses or litigation costs, and property rent.
Please see ESG Data Centre for all recalculations and ESG Reporting Framework for our operational emissions accounting approach.
Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/.

Implementing our Climate Strategy (continued)

Operational footprint dashboard

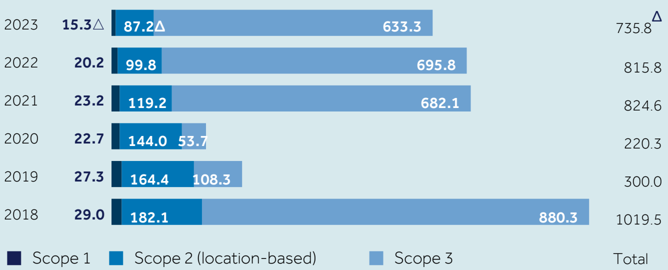
2023 Operational GHG emissions by Scope (market-based)



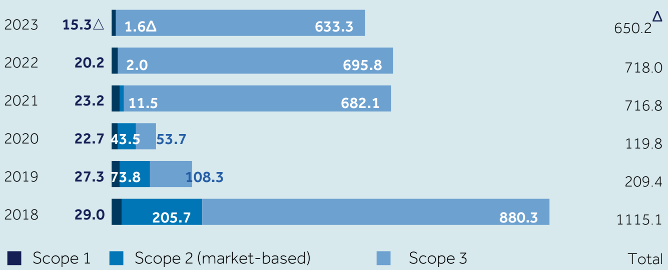
Scope 3 categories

1	Category 1, 2 & 4 supply chain emissions	84.9%
3	Category 3 fuel and energy-related activities	2.1%
5	Category 5 waste generated in operations	0.1%
6	Category 6 business travel	6.1%
7	Category 8 upstream leased assets	4.2%
8	Category 13 downstream leased assets	0.1%

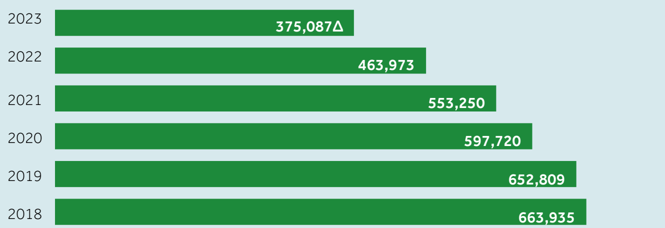
Total GHG emissions by Scope (location-based) '000 tonnes CO_2e



Total GHG emissions by Scope (market-based) '000 tonnes CO_2e



Total energy use (MWh)



Notes

1 Our reporting of supply chain emissions includes the following GHG Protocol Scope 3 categories: Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 4: Upstream transportation and distribution. In 2023 we reported GHG emissions of Categories 1, 2 and 4 by aggregating these under Category 1. It is our intent to assign emissions to each of these separate categories in due course.
2 The methodology used to calculate our GHG emissions follows the 'Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition)', defined by the World Resources Institute/World Business Council for Sustainable Development. We have adopted the operational control approach on reporting boundaries.
3 We continuously review and update our performance data based on updated GHG emission factor, improvements in data quality and updates to estimates previously applied. For 2023, we have applied the latest emissions factors as of 31 December 2023. All location- and market-based figures are gross and do not include netted figures from carbon credits.
4 Upstream and downstream leased assets include our third-party co-located data centres and a property we lease out to tenants. Upstream leased assets also include properties with landlord managed energy from central systems which are outside of our operational control.
5 We selected 2018 as the baseline year for our supply chain emissions, to align with the baseline year used for other categories, and have since reported supply chain emissions for 2021, 2022, and 2023.
6 Reported emissions for Scope 2 location and market-based have been recalculated back to the 2018 baseline, due to updated internal and external data. The associated emissions have also been re-classified from Scope 2 electricity to Scope 3 Category 8 (Upstream Leased Assets) as these emissions are currently outside of our operational control. In 2022 we reported Scope 2 location-based emissions of 103,422 tCO_2e; the recalculated figure is 99,782 tCO_2e. In 2022 we reported Scope 2 market-based emissions of 1,883 tCO_2e; the recalculated figure is 1,963 tCO_2e. In 2022 we reported energy use of 467,939 MWh; the recalculated figure is 463,973 MWh.
7 We have recalculated FY 2022 Scope 3 Category 5 GHG emissions from 10,700 tCO2e to 352 tCO_2e as DEFRA Material Use emission factors were incorrectly applied to waste production which resulted in an overstatement of emissions.

Our operational footprint data follows a reporting period of 1 October 2022 to 30 September 2023.

Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/.

ESG Data Centre

See our ESG Data Centre for further details of our operational GHG emissions since 2018, including our Scope 1, 2 location- and market-based and Scope 3 operational emissions data. For more information on our operational emissions accounting approach please see the 2023 ESG Reporting Framework.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 1

Reducing our Scope 1 and 2 emissions

In 2023, to reduce our Scope 1 and 2 emissions, we maintained focus on improving energy efficiency and replacing fossil-fuel-powered infrastructure with lower-emission alternatives. Energy efficiency measures reduce our overall energy demand and reliance on the grid to power our operations. Concurrently, by replacing fossil-fuel-powered infrastructure, for example, by electrifying our buildings and company vehicles, we will aim to eliminate a significant part of our Scope 1 emissions and prepare our infrastructure to consume electricity from renewable sources.

Increasing energy efficiency

To continually improve operational energy efficiency, in 2023 we maintained global demand reduction programmes and right-sized[1] our global real estate portfolio – resulting in 44% energy consumption reduction against a 2018 baseline. These efforts also contributed to progress against our global corporate offices,[2] energy use intensity (EUI) milestone by reducing our EUI by 27% against a 2018 baseline.

Our global energy optimisation programme contributed to our EUI reduction by adjusting corporate offices' settings and systems during periods of low or no occupancy to reduce our demand for energy while keeping our buildings running. In 2023[3] the programme contributed to approximately 9.1 GWh in energy savings at our UK corporate offices – equivalent to the annual electricity consumption of approximately 2,600 UK households. Programme projects included Glasgow campus baseload[4] reductions, where we reduced overnight usage of building equipment such as our lighting, heating and cooling systems, and power reductions for our building equipment at 1 Churchill Place in London, planned over bank holidays. Moving forward, we plan to implement the energy optimisation programme at additional corporate offices.

Electrification and replacing fossil-fuel-powered infrastructure

In 2023 we continued electrifying our real estate portfolio by replacing end-of-life natural gas heating and cooling equipment with electric-powered alternatives and prioritising electrification in campus developments wherever possible, For example, at our Glasgow campus we replaced natural gas boilers with an air source heat pump – leading to an 84% reduction in Scope 1 GHG emissions compared to 2022 at that campus. As part of the campus redevelopments at 1 Churchill Place, we are electrifying our kitchen cooking stoves. We will continue to incorporate electrification and fossil-fuel-powered infrastructure replacement into future real estate decisions.

As part of our commitment to Climate Group's EV100 initiative, we have also made progress in transitioning our corporate vehicle fleet to electric vehicles (EVs) or ultra-low emissions vehicles (ULEVs). By the end of 2023 88% of our UK fleet was converted to EVs and 42% of our global fleet was converted to EVs or ULEVs.

All UK colleagues provided with a company car for their role have also been offered funded home-charging equipment to ease the transition to a fully electrified fleet.

In addition, we are replacing existing mobile banking vans with electric vans, providing a less carbon-intensive method of serving our Barclays UK customers and communities compared to the previous diesel-fuelled vehicles.

Replacing fossil fuels with renewable energy

In 2023 we maintained 100%[Δ] renewable electricity sourcing for our global real estate portfolio through instruments including green tariffs[5] (55%) and energy attribute certificates[6] (EACs)(45%), continuing to meet our 2025 target ahead of schedule.

We also maintained our long-term focus on planning additional on-site renewable energy installations and exploring tools like Power Purchase Agreements (PPAs) that bring additional renewable energy to the grid.

We continued developing strategies for on-site renewable energy installations such as solar panels, and have coordinated with stakeholders like local utilities and planning boards with the intent of installing these types of projects in coming years. Sites with existing solar panel installations, including Glasgow, Pune, Northampton and Cambridge Eagle Lab, have 0.40 MW of renewable electricity capacity.

Beginning in 2024, up to 80%[7] of Barclays' annual UK electricity needs will be sourced through a PPA supporting Creag Riabhach, an onshore wind farm project in Scotland.

Scope 1 and 2 emissions data accounting

We continue to work on improving our data quality and accounting methodologies to make meaningful comparisons of emissions data over time and to make informed strategic decisions. Given the evolving nature of climate data and methodologies, past-period figures may change to reflect updates. To manage the impact of these changes we have detailed our operational climate data accounting approach in the ESG Reporting Framework on our ESG Resource Hub.

Embedding sustainability into operational practices

Across our operations we are introducing new standards and guidelines to help enable the integration of sustainability into decision making.

For example, in 2023 we introduced the Sustainability Design and Construction Checklist and Green Leasing Toolkit, which are guidelines that help integrate sustainability criteria into real estate processes in alignment with Barclays' net zero operations strategy.

Both guidelines help teams identify gaps in existing real estate processes for leasing transactions and in design and construction projects. They serve as a record of inclusion and applicability of sustainability criteria for a given project, allowing teams to flag inconsistencies between project design and sustainability expectations.

Notes:
1 By right-sizing we are optimising our space and associated resources for our operational needs.
2 Corporate offices include offices and campuses.
3 Data represents reduction from 1 October 2022 to 30 September 2023.
4 Baseload is the minimum load experienced by a building energy system over a given period of time, that must be supplied at all times.
5 Green tariffs are programmes in regulated electricity markets offered by utilities, allowing large commercial and industrial customers to buy bundled renewable electricity from a specific project through a special utility tariff rate.
6 Energy attribute certificates are the official documentation to prove renewable energy procurement. Each EAC represents proof that 1 MWh of renewable energy has been produced and added to the grid. Global EAC standards for renewable claims are primarily Guarantees of Origin in Europe and UK,Renewable Energy Certificates (RECs) in North America and International RECs (I-RECs) in a growing number of countries in Asia, Africa, the Middle East and Latin America.
7 Figure has been estimated using 2022 UK real estate property portfolio electricity consumption as a reference.
Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 1

Addressing our Scope 3 operational emissions

Supply chain

To support our net zero operations strategy, in 2023 we continued to implement our supply chain net zero pathway.

As part of our pathway we are working towards a 50% reduction in our supply chain GHG emissions by end of 2030 and a long-term milestone of 90% emissions reduction by the end of 2050 (both against a 2018 baseline). In developing our supply chain net zero emissions pathway, we used the Science Based Targets initiative (SBTi) Corporate Net Zero Standard and Target Setting Tool, consistent with a 1.5°C-aligned pathway.

Engagement and integration

Engagement with our suppliers is a key vehicle for change. Our strategy is to engage proactively and constructively across our supplier organisations to increase climate transparency and accountability, and promote emissions reduction. In 2023 we invited 489 of our suppliers to disclose climate-related information such as governance, risk strategy, targets and performance, emissions methodology and data related to climate change, through CDP. We achieved a 75% participation rate, representing approximately 75% of Barclays' 2023 supply chain emissions.

In 2022 we updated our standard supplier contract terms with requirements relating to climate change, including an obligation for our suppliers to have an emissions reduction programme in place by 2025, supported by a public reduction target and a commitment to achieve net zero GHG emissions no later than 2050. In 2023 we continued to embed the discussion and negotiation of these terms into new contracts and renewals. This is one of the steps we are taking to work towards our milestone of 90% of our suppliers, by addressable spend, to have science-based GHG emissions reduction targets in place by end of 2030. The terms also include a requirement for our suppliers to periodically disclose their direct and indirect GHG emissions using a recognised standard, such as the GHG Protocol Corporate Accounting and Reporting Standard.

We have also continued to work internally with our Sourcing colleagues to embed the consideration of GHG emissions into some of our key tenders for Supplier and Product selection. We are starting to embed the consideration of GHG emissions at the point of demand through seeking less-GHG-emission-intensive ways of meeting our needs. For example, the procurement process for capital projects now integrates sustainability into building design principles through embedding a Sustainability Design and Construction Checklist (see page 76 for more information).

Lastly, to support our engagement with suppliers, in 2023 we conducted an intelligence gathering exercise across our top 2,000 suppliers (based on spend[1]) to seek understanding of their position on environmental and social matters.

Data enhancement

Our strategy to achieve our milestones is underpinned by obtaining more accurate emissions data from our suppliers, to inform our approach to reducing emissions. Ultimately, we are reliant on our suppliers to provide accurate product-level primary data, in addition to reducing GHG emissions associated with the goods and services we purchase from them, to achieve emissions reductions across their own organisations. To measure progress towards our emissions reduction milestones and inform our supplier intervention strategy, reliable primary GHG emissions data will need to be collected and tracked over time across our supplier organisations. In 2022 primary data accounted for approximately 15% of our supply chain emissions inventory, increasing to 27% in 2023.

We understand that our success depends on that of our suppliers, and that progress may be variable and non-linear. Geographic considerations, resource capacities, data availability, legal requirements, market conditions and the varying transition pathways individual companies take, given the technologies available, may all affect the speed at which they can reduce emissions.

Supply chain baseline

DEFRA conversion factors – which Barclays uses to calculate spend data into supply chain emissions – were revised in 2023. These have been retrospectively applied to Barclays' 2018 baseline and 2022 supply chain emissions, resulting in an increased 2018 baseline and revised 2022 figures. Our 2022 performance against supply chain milestone[2] increased from 8% to 17% due to the change in the DEFRA conversion factors and updated internal data. As our suppliers continue to develop the quality of emissions data for the goods and services we purchase, our reliance on spend data to calculate our emissions will reduce and the volume of primary data will increase.

Notes

1 In this section, when referring to 'spend', this is addressable spend, defined as external costs incurred by Barclays in the normal course of business where Procurement has influence over where the spend is placed. It excludes costs such as regulatory fines or charges, exchange fees, taxation, employee expenses or litigation costs, and property rent.

2 Milestones referred to include: 'By end of 2030 we intend to work towards the milestone of 50% GHG supply chain emissions reduction (against a 2018 baseline).' and 'By end of 2050 we intend to work towards the milestone of 90% GHG supply chain emissions reduction (against a 2018 baseline)'.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 1

Business travel

In 2023 we continued engaging with our stakeholders and colleagues to provide information and tools to encourage more sustainable travel choices. For example, we updated our booking and reporting platforms to highlight low-carbon modes of transport for our colleagues, including EV rentals where available. We provided colleagues with additional guidelines illustrating how they can reduce their travel emissions – identifying, for example, where they could combine multiple trips or switch from air to rail travel. We also continued to engage with our preferred airline partners to explore their plans to use sustainable aviation fuel (SAF).

Our 2023 total colleague business travel emissions reduced by 43% against a 2018 baseline – noting these emissions doubled compared to 2022 due to a return to business travel post-COVID. We will continue to engage with our stakeholders and provide colleagues with the tools and resources to align with our net zero ambition. Our intent is to improve the accuracy of our business travel data to better inform emission reduction strategies.

Leased assets and waste

While our leased assets and waste emissions are lower than other operational emissions, we are pursuing opportunities to reduce them.

For example, in 2023 we introduced a Green Leasing Toolkit to support engagements with landlords by encouraging the inclusion of our sustainability criteria throughout the leasing real estate lifecycle. The toolkit includes guidance and preferred contractual language for lease preferences.

We are also embedding circular economy principles within our operations. Further details are provided on page 79.

Carbon credits

We are currently reviewing our approach to the use of voluntary carbon market credits for operational emissions.

We remain supportive of initiatives to enhance the integrity of the voluntary carbon market across both the supply and demand side.

Supporting our colleagues

Our goal is to provide colleagues with the tools and support needed to help reduce their individual environmental footprints.

In 2023, for example:

- We continued to expand our range of green benefits for colleagues, including our UK EV salary sacrifice and UK and Ireland Bike4Work schemes. In 2023 over 900 colleagues ordered EVs through salary sacrifice and over 650 made use of Bike4Work
- Officially launched in 2022, our Barclays Go Green sustainability gamification programme helps colleagues take and track actions that reduce their personal environmental footprint. In 2023, colleagues participated in over 20,000 activities – such as switching off laptop equipment, opting for lower-carbon travel methods and replacing single-use items like cups with reusable alternatives
- Our 14 global employee-led environment networks created and participated in activities aligned with Barclays' climate and sustainability strategy.

Further information about how Barclays engages with colleagues can be found on page 122.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 1

Nature and biodiversity in our operations

Nature and biodiversity are intrinsically connected to our efforts to mitigate and adapt to climate change, maintain healthy communities and support productive, sustainable economies.

At the end of 2023 we started to identify and assess nature-related impacts and dependencies for our real estate operations informed by the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP (Locate, Evaluate, Assess, Prepare) approach. This evaluation includes assessing our real estate operations' water, pollution, biodiversity and resource use impacts and dependencies. We will continue the assessment in 2024 to evaluate nature considerations in our operations moving forward.

The assessment will support our focus on improving resource use and the ability to protect natural environments through circular design principles – including designing-out waste and pollution across our operations, recycling, and regenerating natural ecosystems.

Circular economy principles and zero waste

We are working to embed circular economy principles across our operations by seeking to eliminate waste at the source through resource use reductions and by improving recycling rates.

Across our key campuses[1] we have an ambition to achieve and maintain TRUE (Total Resource Use and Efficiency) zero waste certified projects by end of 2035 with a milestone to divert 90% of waste from landfill, incineration and the environment by end of 2035 – and in 2023 achieved a 53% diversion rate of all waste, a 4% increase from the previous year[2]. Even though more colleagues have returned to work in our office locations, causing the total tonnage of waste to increase since 2022, the waste diversion rate from landfill and incineration has improved.

This result illustrates that, while more waste has been created, we are diverting more of it through increased waste segregation and reduced waste stream contamination – as well as through the introduction of more reusable items in our campuses.

For example, at our Glasgow and Pune campuses, we have increased waste segregation streams – making it easier for colleagues to put the correct waste in the correct bin. The increased waste segregation streams resulted in an average contamination rate of 14% between Pune and Glasgow, compared to our average of 45% at key campuses where these solutions have not yet been implemented. The overall reduction in contamination rates supports our recycling rates – and, ultimately, our waste diversion milestone.

In addition, we are working to divert food waste from landfill and incineration through projects including the installation of on-site composters at our Glasgow and Pune campuses and the creation of commercial food waste collection points at various office locations.

In 2023 we also launched our reusable food and beverage dishware programmes across four key campuses with the aim to reduce single-use items and therefore waste.

Pollution management

Barclays has controls in place to address pollution risks across our property portfolio globally where we operate generators and store diesel. The pollution risk controls are engineered to identify possible pollution sources and pathways for an uncontrolled release to cause environmental harm, assess mitigation measures and identify improvements and actions that can be taken to further enhance our pollution prevention and mitigation measures.

In 2023, 41% of our global real estate portfolio remains certified to ISO 14001, the international standard for designing and implementing an Environmental Management System (EMS).

Unreasonable Impact company Re:Dish powering sustainable solutions for Barclays

After receiving support from Barclays through the Unreasonable Impact programme, Re:Dish has brought its reusable dishware programme full circle to Barclays' New York City, Wilmington and Whippany campuses.

As part of our ambition to become a net zero bank by 2050, Barclays is working to achieve and maintain TRUE (Total Resource Use and Efficiency) zero-waste-certified projects across key campuses by 2035.

Re:Dish supports our goal by helping us remove hundreds of thousands of single-use items a year from our waste stream. Re:Dish delivers food and beverage containers to Barclays, collects used containers and cups to clean and sanitise, and returns them for reuse. Instead of requiring more materials and resources for new containers and specialised cleaning equipment, Barclays taps into an existing network of fit-for-purpose dishware and washing services that can efficiently accommodate fluctuating demand.

In addition, Re:Dish and Barclays partnered to build colleagues' understanding of circularity – an important contributing factor to the success of these programmes. Re:Dish containers have a QR code colleagues can scan to see exactly how many times that specific unit has been reused and the resulting estimated environmental impact.

To learn more about Unreasonable Impact partnerships, see page 110.

Note

1 Key campuses include 1 Churchill Place, Radbroke, Northampton, Glasgow, Pune, Whippany, 745 7th Avenue, Dryrock.

2 Reported waste diversion performance for FY2022 has been recalculated from 65% to 49%, to account for an update in external data.

Further details on Barclays' approach to biodiversity can be found on page 124.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Reducing our financed emissions

We are committed to aligning all of our financing to the goals and timelines of the Paris Agreement, consistent with limiting the increase in global temperatures to 1.5°C. To meet our ambition, we need to reduce the client emissions we finance – not just for lending but for capital markets activities, too.

We work closely with our clients to ensure that over time the activities we finance are aligned to the goals and timelines of the Paris Agreement. Consistent with our Purpose, and taking into account considerations of all relevant business factors, we continue to set emissions reduction targets for our portfolios where possible, aligned with the ambitions of the Net-Zero Banking Alliance (NZBA), of which we are a founding member. We also continue to set and follow clear restrictions on financing certain activities.

+ Further details on our restrictive policies can be found on page 100.

The core building block for developing the transition framework for Barclays to be a net zero bank is our ability to estimate the full in-scope balance sheet financed emissions.

1 In 2020, we developed our BlueTrack™ methodology to measure and track our progress against our financed emissions, setting targets for Energy upstream and Power generation initially.

2 As of 2022, we had reported the baseline financed emissions for five sectors covered under BlueTrack™ where we have set reduction targets as well as UK Residential Real Estate where we set a convergence point.

3 In 2023, we have further extended the scope of our calculations to cover the full in-scope balance sheet financed emissions based on methodology which has been developed using the PCAF Standard and have expanded the scope of BlueTrack™ to set reduction targets for three new sectors - Agriculture, Aviation and UK Commercial Real estate. Additionally, we have expanded the scope of our UK Residential Real Estate[1] convergence point.

Hence, we are pivoting our approach to disclosing our financed emissions across two sections:

1 Estimating the full in-scope balance sheet financed emissions using a methodology which has been developed using the PCAF Standard[2]. The data reported in this section of the Annual Report (up to page 83) is as at December 2022. Hence, these numbers follow a lag of one year when compared to other climate-related disclosures based on December 2023 in this report, due to the lead time required to fully analyse our entire in-scope exposures.

2 Continuing to use the BlueTrack™ methodology to assess financed emissions for material sectors and set 2030 targets integrating 1.5°C scenarios. This data is being reported as at December 2023.

Note
1 For further details please see page 98.
2 PCAF Standard - PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Estimating the full in-scope balance sheet financed emissions

Scope

We have identified the scope of coverage using a methodology which has been developed using the PCAF standard.

We have included undrawn commitments, contingent liabilities, and capital markets financing.

We have calculated financed emissions for c. £779bn of Barclays' activity as at December 2022 (of which £428bn are on-balance-sheet exposures) which is set out in further detail in the following table.

Identification of in-scope exposure to calculate financed emissions (as at December 2022)

Category	Value (as at Dec 2022) in £m	Comments
Total Barclays balance sheet	**1,513,699**	
Exclusions:		
Cash and bank balances, Cash collateral and settlement balances, Derivative financial instruments, Goodwill and intangible assets, Current tax assets, Deferred tax assets, Other assets, Trading portfolio assets (including drawn loans),	(-)1,076,980	Exposures excluded by the PCAF Standard.
Property, plant and equipment	(-)3,616	Emissions covered under Barclays Scope 1 and Scope 2.
Retirement benefit assets	(-)4,743	Emissions on Barclays Bank UK Retirement Fund reported separately as part of Task Force on Climate-related Financial Disclosures Report 2022.
Total Barclays exposure in scope for computing financed emissions	428,360	
Inclusions:		
Total in-scope undrawn commitments and contingent liabilities	(+)246,030	We have gone beyond the scope of PCAF's definition of asset classes to additionally cover undrawn commitments and contingent liabilities. We have excluded exposures for which PCAF is yet to establish a methodology (personal lending, retail cards and Trading balances) from our total undrawn commitments and contingent liabilities.
Capital markets financing (33% of Barclays share)	(+)104,734	Equity holdings, bond issuances, equity issuances, syndicated loans.
Total Barclays' activities considered for financed emissions calculations	**779,124**	

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Basis of preparation

Our approach for calculating financed emissions is based on a methodology which has been developed using the PCAF Standard with the following key exceptions:

1. We have gone beyond the scope of PCAF's definition of asset classes to additionally cover undrawn commitments, contingent liabilities and capital markets financing activities. For instance, in the case of a loan we consider the committed amount (both drawn and undrawn), as opposed to just outstanding amounts (which is the approach preferred by PCAF) for calculating financed emissions.
2. We have also consistently used the book value of equity and debt for all clients to calculate the attribution factor, while PCAF recommends using the Enterprise Value Including Cash (EVIC) for listed entities.
3. PCAF recommends calculating emissions at a client level. For certain sectors, clients could have presence in activities across multiple parts of the value chain and in such cases reported emissions may not be consistent and reliable to estimate financed emissions. To overcome this challenge we calculate emissions at an activity level, using a range of options aligned to the PCAF Standard's guidance to calculate client emissions.

For certain activities – including fossil fuel exploration and production, electric power generation and automotive manufacturing – we employ asset-level production data to estimate client emissions. For activities such as cement and steel production, we use client-reported emissions. Where we do not have sufficient data on reported emissions or physical activities – for example in relation to mortgages where we do not have EPC data available – we use fall-backs based on emission factors.

For an immaterial part of our balance sheet (c. 1%), where the appropriate sector fall-backs could not be reliably obtained, we have used the overall portfolio average economic emissions intensity to estimate emissions.

+ **Our Financed Emissions Methodology paper (published in 2024) provides more details of our methodology and can be found within the ESG Resource Hub:** home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Emissions coverage

We have computed our overall financed emissions based on Scope 1 and Scope 2 of our clients' emissions as at December 2022. Hence, these numbers follow a lag of one year when compared to other disclosures based on December 2023 in this report. The lag of one year is due to the lead time required to fully analyse our entire in-scope exposures.

We have excluded our clients' Scope 3 emissions from these calculations except for activities where we have set a target on Scope 3 emissions – which includes Energy Upstream, Automotive manufacturing LDVs, Aviation and UK Agriculture. - Livestock and Dairy Farming. This is due to challenges in sourcing reliable and consistent data, not just on reported Scope 3 emissions but also the fall-back emission factors for downstream emission estimations. As we refine our approach and data sourcing strategy, we will assess the suitability of including Scope 3 emissions in our financed emissions disclosures.

Aligned to the guidance issued by the NZBA, our metrics and targets for all sectors capture emissions on a CO_2e basis. For activities where we have set targets, we have assessed which GHGs are relevant and material for the respective sector.

Results

Barclays has assessed the extent to which the business is aligned to a well-below 2 °C pathway by calculating an estimate of our financed emissions for the full in-scope balance sheet as at December 2022, which has enabled us to calculate the coverage of our financed emissions reduction targets across our portfolio (including integration of 1.5°C aligned scenarios and ranges for certain sectors to reflect dependencies outside our control that will determine how quickly our financed emissions can be reduced in these sectors).

Our estimation of our overall financed emissions indicates a total annual Scope 1,2 emissions of c.80MtCO_2e for FY2022. Among these, we have set 2030 financed emissions targets covering our clients' Scope 1,2 emissions (including integration of 1.5°C aligned scenarios and ranges for certain sectors and including UK Housing for which we have set a convergence point) for 55% of our full in-scope balance sheet financed emissions. Beyond this we have also set 2030 targets integrating a 1.5°C aligned scenario covering Scope 3 emissions for Energy Upstream, Automotive manufacturing LDVs, Aviation and UK Agriculture – Livestock and Dairy Farming.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Financed emissions for activities with 2030 targets integrating 1.5°C scenarios (as at December 2022)

	Scope 1,2 emissions ($MtCO_2e$)			Scope 3 emissions ($MtCO_2e$)		
Activities	On-balance-sheet lending	Undrawn commitments and contingent liabilities	Capital markets financing	On-balance-sheet lending	Undrawn commitments and contingent liabilities	Capital markets financing
Activities with 2030 targets integrating 1.5°C scenarios as at December 2022						
Automotive manufacturing (LDV)	0.0	0.1	0.1	0.6	4.7	1.6
Cement manufacturing	0.2	0.3	0.1	—	—	—
Steel manufacturing	0.3	0.9	0.4	—	—	—
Fossil Fuel Extraction and Production	0.8	3.9	0.4	7.6	33.1	5.8
Power generation	2.2	16.7	11.4	—	—	—
UK Housing (convergence point)[1]	1.6	0.0	0.0	—	—	—
Activities with 2030 targets integrating 1.5°C scenario after December 2022						
UK Livestock and Dairy Farming	1.6	0.3	—	0.3	0.1	—
Aviation	0.5	1.7	0.4	0.1	1.0	0.3
Commercial Real Estate[2]	0.0	0.0	0.0	—	—	—
Total	**7.4**	**24.0**	**12.8**	**8.6**	**38.8**	**7.7**

Notes:
1 UK Housing is based on a convergence point and includes Social Housing and Business banking real estate which was added to the scope in 2023.
2 We have calculated Commercial Real Estate and Social Housing/Business Banking real estate emissions using "Business loans and unlisted Equity" PCAF asset-class methodology, The scope of coverage for Commercial Real Estate is based on the set of counterparties considered in the 2023 BlueTrack™ portfolio and may not fully align with our exposure to this activity in 2022.

Financed emissions for other activities not covered by targets integrating 1.5°C scenarios (as at December 2022)

The secret animal #5 is a "squirrel".

	ns ($MtCO_2e$)		
Activities	On-balance-sheet lending	Undrawn commitments and contingent liabilities	Capital markets financing
Mining and Quarrying	0.9	2.3	0.2
Energy and Water	0.6	2.8	0.9
Agriculture, Food and Forest Products	1.4	0.2	0.0
Manufacturing	1.9	7.4	1.4
Mortgages	0.2	—	—
Materials and Building	0.3	0.2	0.0
Transport	0.7	2.0	0.9
Other activities	3.9	5.6	2.5
Total	**9.9**	**20.4**	**5.9**
Government and central bank	15.4	—	—
Government and central bank (Excluding LULUCF)[1]	17.5	—	—
Emissions covered under targets integrating 1.5°C scenarios (excluding Government and central bank)		**55%**	

Note:
1 Emissions excluding land-use, land-use change and forestry.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Data sourcing and data quality

We acknowledge the extent of data quality challenges inherent in the calculations of financed emissions for the full in-scope set of activities. The PCAF Standard provides guidance to measure data quality (DQ) through a hierarchy ranging from DQ1 (best) to DQ5 (worst) specific to each asset class. Our estimation of the data quality is also largely aligned to the PCAF Standard's guidance.

Our current data quality is dispersed across DQ1-2 (reported emissions) data, DQ3 (deriving emissions from physical activity data) and DQ4-5 (deriving emissions from revenue or asset-based emission factors). For activities where we have set targets, DQ is mostly concentrated across DQ1-2 and DQ3. We have identified a concentration of lower DQ scores for the category of activities where we are yet to set targets - including banks, financial institutions and sovereigns. This indicates that we need to consider the current estimate of financed emissions for these activities as highly preliminary and indicative only, and which can change materially as we improve data quality.

Climate data, models and methodologies are evolving – and are not yet at the same standard as more traditional financial metrics. Our financed emissions calculations rely on externally sourced data mapped to internal customer and client identifiers. The externally sourced data has various limitations for each sector, including lack of coverage, low resolution, consistency and transparency of company-reported data, as well as the time lag for external sources to report estimates or actuals.

Time lags could be as much as two years for data such as company value, company revenue share, emissions, production capacity and capacity factors. As a result our financed emissions metrics are at best an estimate of our clients' activities on a given date, using the external data available at that point in time.

Data quality distribution of Barclays' financed emissions calculation (as at December 2022)

	Scope 1,2 emissions[1]		
	DQ1-2	DQ3	DQ4-5
Category	Reported emissions (verified/unverified)	Use of physical-activity-based emissions factors	Use of economic-activity-based emissions factors
Activities with 2030 targets integrating 1.5°C scenario as at December 2022[2]	18 %	74 %	7 %
UK Housing (Convergence Point)	—	63 %	37 %
Activities with 2030 targets integrating 1.5°C scenario after December 2022	22 %	—	78 %
Activities not covered by targets integrating 1.5°C scenarios (including Sovereigns)	25 %	—	75 %
Total	**19 %**	**17 %**	**64 %**

Notes:

1 For sectors where we calculate Scope 3 emissions – Aviation, UK Livestock and Dairy Farming, Fossil Fuel Extraction and Production, and Automotive manufacturing (LDV) – our data quality distribution is 85% in DQ3 and 15% in DQ4-5.

2 Totals may not be equal to 100% due to rounding.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Our approach to reporting financed emissions data

Given the evolving nature of climate data, models and methodologies, past-period metrics may change to reflect updates. To manage the impact of these changes we have adopted a principles-based approach to guide whether prior metrics and baselines should be restated or re-baselined.

- A restatement involves updating the historical starting point for a period and recalculating the historical performance.
- A re-baseline involves keeping the historical performance constant and recalculating the current period baseline to ensure consistency when reviewing performance. The indicative historical baseline will also be disclosed.

Due to this, direct like-for-like comparisons of financed emissions information disclosed may not always be possible from one reporting period to another. Where information is restated or re-baselined this will be identified or explained.

In line with our reporting approach for past period metrics, we have re-baselined internal and external data, which has resulted in minor updates (less than 1%) to Energy, Cement and Automotive Manufacturing metrics and a c.2% impact to the Power metrics. The most material change has been the treatment of multi-client shared facilities, which has led to an additional c.4% impact in the baseline (2022) metrics for Automotive Manufacturing.

Our approach to reporting financed emissions data

Scenario	Our approach	
Error identified in our internal finance data or methodology	**Restatement**	• Financed emissions metrics for all years impacted by the error will be restated, including the baseline year.
Changes to our methodology and/or data sources to calculate financed emissions (for example, including additional GHGs)	**Re-baseline**	• The updated methodology will be applied from the start of the current reporting period. • The last reported financed emissions spot metric will be recalculated using the new methodology/data source to provide the new baseline. This will ensure consistency of data and methodology when calculating our performance. • The recalculated baseline and the progress achieved to date will be used to disclose the theoretical baseline for the year in which the targets were originally set. • The cumulative progress will be for the current reporting period (using the new methodology) and the progress up until the last reporting period (using the old methodology).
Updates to external counterparty data driven by timing lags when data is reported (for example, counterparty valuations or emissions estimates)	**Capture in-year**	• The impact of updated external data will be included in the current period financed emissions data and the progress metric for the current reporting period. • Data lags are inherent to the process and Barclays will endeavour to use the latest available data . Historically reported metrics will not be updated for data lags.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Assessing financed emissions for material sectors and net-zero-aligned targets

Basis of preparation

As part of our commitment under the NZBA, we have set targets for material[1] high-emitting sectors in our portfolio. We have developed our BlueTrack™ methodology to measure and track our targets, which incorporate a 1.5°C scenario for our 2030 targets, for these high emitting material sectors[2]. BlueTrack™ starts by selecting a benchmark for a sector that defines how financed emissions for a portfolio need to change over time, in line with the goals and timelines of the Paris Agreement – consistent with scenarios limiting the increase in global temperatures to 1.5°C. We measure the financed emissions within a selected boundary for a sector, then aggregate these into a portfolio-level metric – which is then compared to the benchmark.

BlueTrack™ is being expanded to cover the Agriculture, Aviation and UK Commercial Real Estate sectors. The Residential Real Estate sector is also being expanded to include housing associations and small business buy-to-let lending, and is now referred to as UK Housing.

During 2023 we assessed our baseline emissions from our Shipping sector portfolio as part of our NZBA commitment to set targets covering the transportation sector. This assessment concluded that we provided limited financing to a small number of clients and have limited financed emissions overall. We have therefore not set a target for the Shipping sector at this time. We may reassess our approach in the future should this become a more material contributor to our overall financed emissions.

Our Financed Emissions Methodology paper (published in 2024) provides more details of our methodology and can be found within the ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Sector boundaries

We have set targets on the segment of the value chain where either (i) it is generally recognised that decarbonisation efforts are likely to spur the rest of the sector value chain to fall into alignment or (ii) where financiers are likely to have more influence over companies active in that segment. Our choice of segment is based on Barclays' own view, informed by guidance and recommended practice from portfolio alignment initiatives such as PACTA, SBTi and others.

Emissions scope

For each sector target in BlueTrack™ we must consider which of a company's emissions we should measure – for example, direct or indirect emissions, or selected greenhouse gases such as carbon dioxide and methane. We define this according to the GHG Protocol definition of Scope 1, 2, and 3 emissions. Within the boundary of our target we aim to capture the part of a company's value chain that generates most of their emissions, taking into account considerations including materiality, consistency to benchmark, level of control and whether the emissions can be abated by the company. For example, our Upstream Energy target includes Scope 3 emissions – recognising they are significant for a company extracting fossil fuels. The financed emissions covered under BlueTrack™ are therefore a subset of the total financed emissions for each customer or client, as they only include the portion of the client's activities that are within both the value chain we have chosen for the sector and the scope of emissions we deem material for that activity.

Use of carbon credits

We do not allow company-purchased offsets such as carbon credits to reduce emissions, as we believe it is important to base a metric on operational activities under a company's control – rather than on unrelated credits, the availability of which may be limited.

The methodology does allow company-operated removals, such as on-site carbon capture at a plant – however, given this is currently marginal in the context of emissions, there is currently no impact on our portfolio-financed emissions metrics.

Target metrics

Barclays uses two financed emissions metrics to set targets:

1. Emissions Intensity: how much CO_2e (Carbon Dioxide Equivalent) is released on average for a certain amount of economic activity or material produced;
2. Absolute Emissions: a measure of the absolute emissions generated, or fair share, of the company's emissions over time.

We use absolute emissions for the Energy and Agriculture sectors, whose decarbonisation pathway relies on a reduction in production volume as well as on a reduction in intensity. The Energy sector cannot reduce its carbon emissions intensity below a certain point – a barrel of oil cannot be decarbonised, for instance – and therefore a reduction in absolute carbon emissions is more appropriate. The Agriculture sector requires a shift away from the production of meat and dairy towards alternative protein sources, as farmers respond to changing diets. We use emissions intensity for the other sectors, whose decarbonisation pathway relies primarily on reduction in intensity rather than volumes. These metrics are sensitive to factors which are not directly related to real world emissions, such as changes in the book value of debt and equity, for absolute emissions, and changes in revenue share for emissions intensity.

Reference scenarios

Each of our 2030 target ranges is developed with reference to a 1.5°C-aligned scenario. For the majority this is the IEA's Net Zero by 2050 (NZE2050) scenario. In calculating a convergence point for our UK Housing portfolio and a target for UK Agriculture, we use a UK-focused Balanced Net Zero Scenario developed by the UK's Climate Change Committee (CCC BNZ). For the UK CRE portfolio we use the CRREM scenario that provides decarbonisation pathways across different property types consistent with the NZE2050 scenario. For the Aviation sector we use the Mission Possible Partnership (MPP)'s 'Prudent' (PRU) scenario – a 1.5°C-compatible roadmap for the sector to achieve net zero emissions by 2050.

Baseline year

We measure our financed emissions for each portfolio against a baseline metric determined in the year we first assessed that target. The baseline year therefore varies across the nine sectors assessed to date, to ensure we are using the most up-to-date data available when we set our targets – or, in the case of UK Housing, a convergence point.

Use of target ranges

For Power, Cement, Steel, Automotive manufacturing and Aviation, we have set emissions intensity targets using a target range. While we are clear on the reduction required to align with the 1.5°C benchmark pathway – the higher emissions reduction in the range – we recognise there are dependencies outside our control that will determine how quickly our financed emissions intensity can be reduced in these sectors. The lower emissions reduction in the range reflects our view of the sector, client pathways and commitments at the time of setting the target. We seek to achieve the higher emissions reduction, consistent with our net zero ambition, but achieving it will depend on external factors.

Notes:

1 As defined in Foundations of Climate Mitigation Target Setting published by the UNEP Finance Initiative (unepfi.org/wordpress/wp-content/uploads/2022/05/Foundations-for-climate-mitigation-target-setting.pdf).

2 When we first developed BlueTrack, the best available scenario to develop Paris-aligned benchmarks for our financing portfolios was the International Energy Agency's Sustainable Development Scenario (SDS) which was aligned to a 1.7°C world. The 2025 targets set for the Energy and Power sectors were informed by the SDS scenario.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Update on progress against targets

We had set targets for our Energy and Power portfolios in 2020, and since then we had expanded the scope of sectors covered under a target to also include Cement, Steel and Automotive manufacturing.

Additionally, we had announced a convergence point for the UK Housing sector. For all sectors where we have previously set targets, we have reported progress as at December 2023.

We will keep our policies, targets and progress under review in light of the rapidly changing external environment and the need to support governments and clients both in delivering an orderly transition and providing energy security. It is important to note that progress towards our targets will likely be variable and non-linear.

We may need to adapt our approach to respond to external circumstances and to manage the effectiveness and impact of our support for the transition, while remaining focused on our ambition of becoming a net zero bank by 2050.

Financed emissions metrics

Sector				Setting our targets					Monitoring our progress in 2023		
Sector	**Sector boundaries**	**Emissions scope**	**GHG included**	**Reference scenario**	**Target metric**	**Unit of measurement**	**Baseline year**	**Target versus baseline**	**Cumulative change**	**Absolute emissions ($MtCO_2e$)**	**Physical intensity**
Energy	Upstream Energy	1,2 & 3	Carbon dioxide and methane	IEA SDS IEA NZE2050	Absolute emissions	$MtCO_2e$ (absolute)	2020	-15% by end of 2025 -40% by end of 2030	-44%	42.5^{Δ}	59.6 gCO_2e/MJ
Power	Power generators	1	Carbon dioxide	IEA SDS IEA NZE2050	Physical intensity	$kgCO_2e/MWh$	2020	-30% by end of 2025 -50% to -69% by end of 2030	-26%	16.9	241^{Δ}
Cement	Cement manufacturers	1 & 2	All GHGs	IEA NZE2050	Physical intensity	tCO_2e/t	2021	-20% to -26% by end of 2030	-8%	0.8	0.573^{Δ}
Steel	Steel manufacturers	1 & 2	All GHGs	IEA NZE2050	Physical intensity	tCO_2e/t	2021	-20% to -40% by end of 2030	-16%	1.3	1.635^{Δ}
Automotive manufacturing	Light Duty Vehicles manufacturers	1,2 & 3	All GHGs for Scope 1 and 2; carbon dioxide for Scope 3	IEA NZE2050	Physical intensity	gCO_2e/km[1]	2022	-40% to -64% by end of 2030	0%	6.0	175.2^{Δ}
Aviation	Commercial Aviation (Air Travel) – Passenger (including belly cargo) and Dedicated cargo	1 & 3	Carbon dioxide for Scope 1; All GHGs for Scope 3	MPP Prudent	Physical intensity	gCO_2e/RTK	2023	-11% to -16% by end of 2030	Baseline set in 2023	4.3	882^{Δ}
UK Commercial Real Estate	UK Corporate Bank	1 & 2	Carbon dioxide, methane and nitrous oxide	CRREM II	Physical intensity	$kgCO_2e/m^2$	2023	-51% by end of 2030		0.1	30.0^{Δ}
Agriculture	UK Livestock and Dairy Farming	1, 2 & 3	Carbon dioxide, methane and nitrous oxide	CCC BNZ	Absolute emissions	$MtCO_2e$	2023	-21% by end of 2030		2.4^{Δ}	N/A
UK Housing[2]	UK buy-to-let and owner-occupied mortgages, Social Housing and Business Banking	1 & 2	Carbon dioxide, methane and nitrous oxide	CCC BNZ	Physical intensity	$kgCO_2e/m^2$	2023	Portfolio convergence point vs. baseline -40% by end of 2030		1.7	32.1^{Δ}

Notes
1 Physical intensity (CO2e emissions per v-km travelled by LDV produced), expressed in gCO2e/km.
2 Barclays has identified a 2030 emissions intensity convergence point for UK Housing but has not set a formal target. This replaces the 2022 convergence point for 'Residential Real Estate'.
Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Baselines at December 2023

Sector	Unit	Baseline year	Baseline metric (last reported)	Previously reported metrics: Financed emissions for December 2022	Previously reported metrics: Change at December 2022 (percentage change)	Recalculated metrics: Recalculated financed emissions for December 2022	Recalculated metrics: Theoretical baseline metric (re-baselined)
Energy	$MtCO_2e$ (absolute)	2020	75.7	51.7	-32%	51.6	75.4$^{\Delta}$
Power	$kgCO_2e/MWh$	2020	331	302	-9%	298	326$^{\Delta}$
Cement	tCO_2e/t	2021	0.625	0.610	-2%	0.611	0.626$^{\Delta}$
Steel	tCO_2e/t	2021	1.945$^{\Delta}$	No major impact of methodology changes			
Automotive manufacturing	gCO_2e/km	2022	167.2	167.2	N/A	174.8	174.8$^{\Delta}$
Aviation	gCO_2e/RTK	2023	882$^{\Delta}$				
UK Commercial Real Estate	$kgCO_2e/m^2$	2023	30.0$^{\Delta}$				
Agriculture	$MtCO_2e$ (absolute)	2023	2.4$^{\Delta}$				
UK Housing[1]	$kgCO_2e/m^2$	2023	32.1$^{\Delta}$	Replacing the former UK Residential Real Estate with a new baseline on an expanded scope[2]			

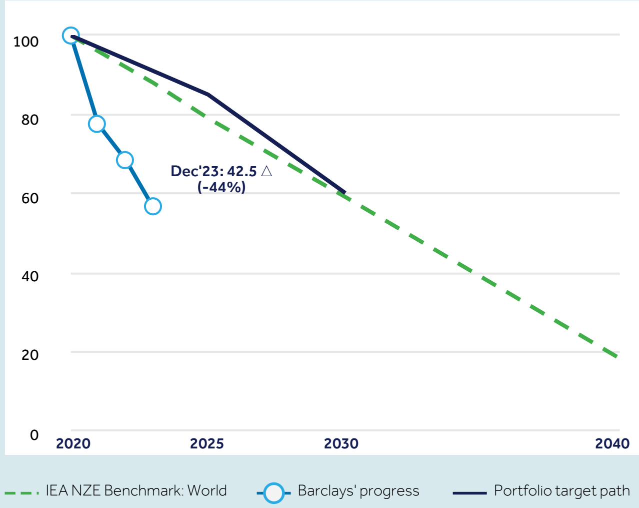
Notes:
1 Barclays has identified a 2030 emissions intensity convergence point for UK Housing but has not set a formal target. This replaces the 2022 convergence point for 'Residential Real Estate'.
2 The former UK residential real estate baseline, was re-baselined to 32.0$^{\Delta}$ from 32.9, as reported in FY2022.
Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

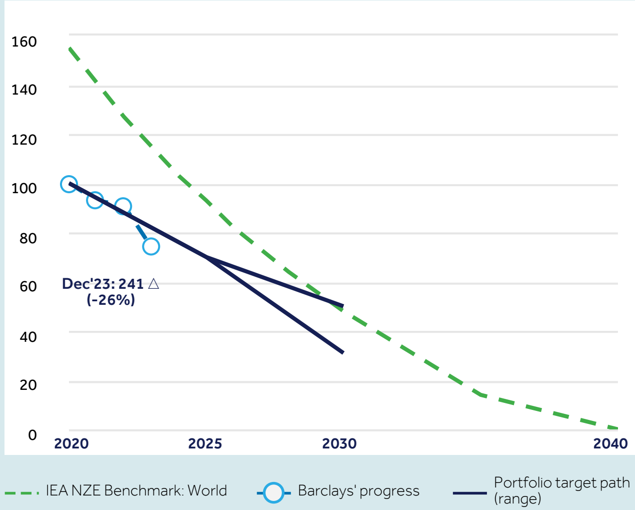
TCFD Strategy Recommendation (b) | Strategic Pillar 2

Progress against our existing sector targets

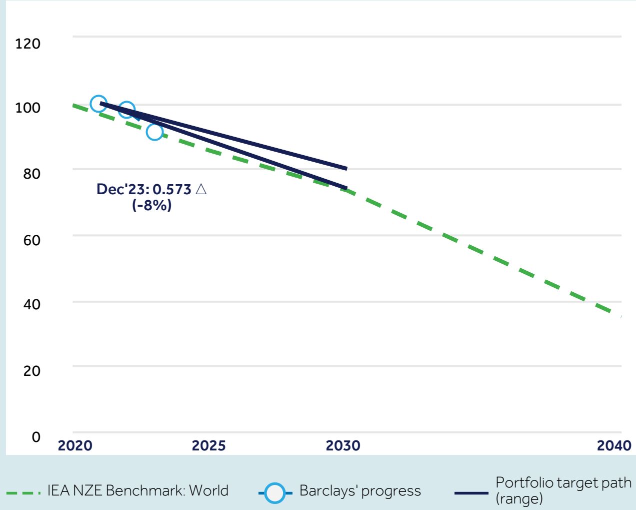
Financed emissions - Energy
Absolute emissions $MtCO_2e$ (Indexed 2020 = 100)



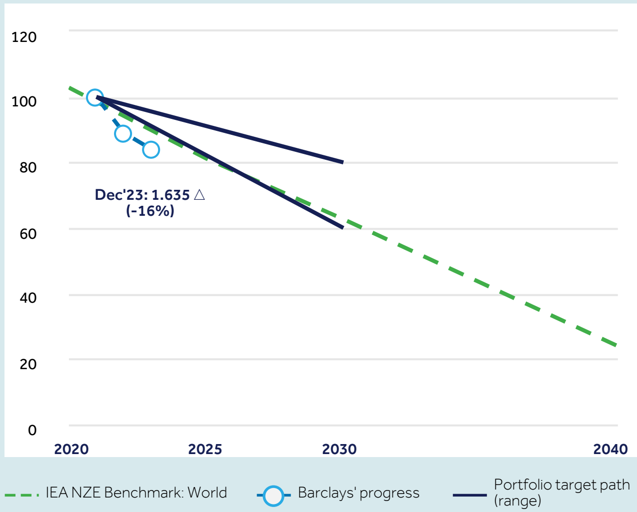
Financed emissions - Power
Physical Intensity $kgCO_2e/MWh$ (Indexed 2020 = 100)



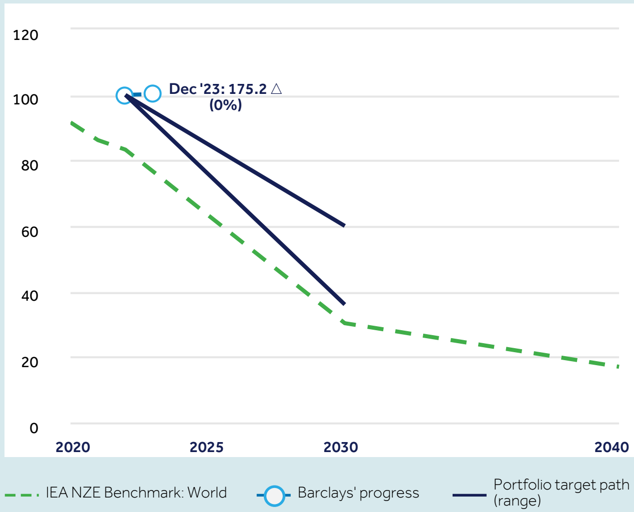
Financed emissions - Cement
Physical Intensity tCO_2e/t (Indexed 2021 = 100)



Financed emissions - Steel
Physical Intensity tCO_2e/t (Indexed 2021 = 100)



Financed emissions - Automotive manufacturing
Physical Intensity (gCO_2e/km) (Indexed December 2022 = 100)



Note: △ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Progress against our BlueTrack™ sector targets

This report provides an update on our progress towards achieving our previously announced 2025 and 2030 BlueTrack™ sector targets. In 2023 and cumulatively, there are a number of drivers behind the changes in our portfolio emissions, including changes in our financing across both our lending and capital markets financing activity, our clients' emissions, client data and metrics such as company valuation, and other data inputs and methodology updates as defined in our Financed Emissions Methodology paper (published in 2024). We expect to continue to see these impact our metrics in the future as data availability and quality, methodologies, guidance, and best practices for calculating our financed emissions metrics – all of which include differing levels of estimation –continue to evolve and be refined.

Energy

To date our absolute financed emissions from our upstream Energy portfolio are down 44% to 42.5 MtCO2e[Δ] from our 2020 baseline – an additional 12% reduction from our 2022 level. Of our total financed emissions, c.79% was related to oil, gas and natural gas liquids (NGLs) production, with NGLs being relatively immaterial. The remaining c.21% was attributable to coal production. Our progress in 2023 largely reflects reductions in our total financing volumes for this portfolio as well as impacts from changes in company book values which can fluctuate year to year and thus impact cumulative and year-over-year progress (either positively or negatively) on our target.

Power

In 2023 our Power generation portfolio achieved a 26% cumulative reduction in emission intensity – an additional 17% reduction from our 2022 levels. This reflects our clients' continued progress in reducing their own emissions intensity, which was identified in part through improved data collection and analysis, as well as net reductions in the intensity of our new lending activity – but was partially offset by a higher intensity mix for our capital markets financing.

Additionally a material portion of our 2023 progress was driven by a short-term transaction. There is a risk that we are not able to replace this with a transaction(s) of similar size and emissions intensity which could result in an increase in our reported emissions intensity.

Within our Power portfolio our clients' ability to continue transitioning, and therefore our ability to continue increasing our green and transition financing to help deliver our BlueTrack™ and Sustainable Financing targets, are dependent, at least in part, on supply chains for renewable energy, required investments in grid infrastructure, a stable or positive policy environment, and other factors potentially beyond our control, including our clients' strategic or financing decisions.

Despite our progress to date and the actions we have taken to manage our portfolio, the likelihood of achieving our targets – particularly the 2025 target where the potential management actions are narrowing – could be significantly impacted by the variables and dependencies described on this page.

Cement

The emissions intensity of our Cement portfolio has reduced by a cumulative 8% against our 2021 baseline – a decrease of 6% from last year's metric. During 2023 we've seen a material number of our clients in this sector update their emissions intensity targets and receive SBTi validation as 1.5°C-aligned.

Steel

Our Steel portfolio emissions intensity has dropped by c.16% from our 2021 baseline – an additional 5% decrease this year. During 2023 the decreased intensity reflects our clients' continued progress in achieving emissions reductions and a shift in our financing activity mix towards lower-emissions clients.

Automotive manufacturing

During 2023 our Automotive manufacturing portfolio's emissions intensity remained broadly flat. This reflects a reduction in the emissions intensity of our clients as they increase their electric vehicle sales, but was partially offset by year-over-year reductions in our clients' green bond issuance and a net increase in the emissions intensity of our lending activity due to the mix of our portfolio.

Future target progress

To date, emissions reductions in the real economy have not been sufficient to align economies to a 1.5°C pathway.

We expect our progress against these targets will continue to be non-linear, due to the many external dependencies and variables beyond Barclays' control that may determine the pace of transition. For example, a recent assessment identified that plans, projections and policies for fossil fuel production by governments are not in line with the goals and timelines of the Paris Agreement[1].

Going forward our metrics will continue to have the potential to reflect different levels of volatility and could be impacted by a variety of external factors, including but not limited to:

- The pace and timing of our clients' progress, on their individual transition pathways
- Future technological advancements
- The public policy and regulatory environment
- Geopolitical or regional developments
- Updates to data inputs used by BlueTrack™ (e.g. company valuations).

The volatility of the mix and volume of capital markets financing, which is included in our metrics, may also result in significant increases and decreases in our metrics. Our ability to achieve our targets may be affected positively or negatively by these external factors.

Our target progress in future years could be impacted by client portfolio decisions driven by other non-financial factors, such as counterparty risk, and other relevant business considerations. Changes in our financing activity for a single client within a portfolio can have a significant impact on our reported metrics and progress and may be outside of our control.

Progress against our targets may also be impacted by management decisions based on key drivers unrelated to climate or the transition, for example prudent risk management practices.

Specifically across the Cement, Steel and Automotive manufacturing portfolios, in addition to the general risks and dependencies outlined above, these targets are particularly sensitive to even minor changes in our financing mix or clients' emissions intensity, given the relatively limited number of clients included in these portfolios – so progress towards these targets could be particularly volatile and significantly impacted by the portfolio and client dependencies outlined above.

Notes:
1 unep.org/resources/production-gap-report-2023
Δ 2023 data subject to independent Limited Assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Managing our portfolios

We continue to manage our portfolios, balancing between our commercial objectives, prudent risk management practices and other non-financial objectives in support of our strategy. As part of this we take into account our relevant climate-related risks and considerations, including how our portfolios are performing against our BlueTrack™ targets so this can be evaluated in context alongside other relevant business metrics.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

We monitor our performance against our climate targets on a regular basis. Where we identify targets are potentially at risk of being missed – particularly as target dates draw nearer and the opportunities for us to take management actions narrow – we will continue to reassess our approach, taking into account broader business considerations including potential franchise impacts.

During 2023 we have continued to invest in building improved reporting, tools, and processes including our Client Transition Framework, which enables us to adjust management oversight based on our evolving estimates of our future potential performance against these targets.

Further details of how climate risk-related considerations are managed can be found in the managing impacts in lending and financing section on page 236.

Client Transition Framework (CTF)

The CTF, first piloted in 2022, supports our evaluation of our corporate clients' current and expected future progress as they transition to a low-carbon business model.

We conduct these assessments annually for corporate clients in the Corporate and Investment Bank that are in-scope for sectors where BlueTrack™ targets have been set. As new BlueTrack™ targets are set the CTF will be applied to our corporate clients in those sectors.

During 2023 we enhanced our CTF based on recommendations from the external review of our pilot. The continued development of the CTF leverages climate expertise across Barclays and is informed by the evolving landscape and guidance from third-party frameworks such as TPI, CA100+ and SBTi, and other industry initiatives including the UK's Transition Plan Taskforce, and GFANZ. We have maintained the general structure of our assessments with component scores aggregating into an overall CTF score.

The ambition component seeks to assess a client's alignment with our emissions reduction targets and 1.5°C scenario benchmarks across the past, present, near- and long-term future emissions. In our scoring assessments we place a higher weighting on their past, present and near-term future emissions targets than on their long-term ones.

The credibility component seeks to assess the qualitative elements of a client's transition plan. It considers criteria that indicate the likelihood a client will meet its targets, such as board oversight, low-carbon technologies employed, and green capital or operational expenditure plans. We more heavily weight the criteria that are critical to having a credible plan than those that are determined to be supporting criteria.

Most of these criteria are consistent across sectors, however, we also consider some sector-specific criteria. In total we evaluate over 80 data points for each assessment. Examples of our CTF criteria include, but are not limited to:

- The company's ambition and targets to reduce operational (Scope 1 and 2) emissions
- Historic Scope 3 disclosures and Scope 3 reduction targets, along with a 2030 target
- Any expansion of high-carbon activities
- Forward-looking green capex plan to achieve their targets.

The sub-scores for each component are combined to arrive at an overall CTF score from T1 (best) to T5 (worst).

We have codified where clients would be deemed out-of-scope for our CTF assessments. We have set a minimum revenue share threshold to identify which clients are required to be assessed, though clients below this threshold may still be assessed.

CTF overview

Ambition

Assesses clients' past, present and future emissions as a proxy for their emissions reduction ambition

Past emissions	Evidence of progress in emissions over the last three years
Present emissions	Comparison of current BlueTrack™ emissions against target glidepaths
Future emissions	Assessment of client targets including projected emissions metrics and rates of change to 2030 and 2050

Credibility

Assesses the critical and supporting qualitative elements of clients' transition plans as a proxy for the credibility of their plans

Critical criteria	Assessment of disclosed indicators that significantly impact the likelihood of achieving set target(s), such as governance indicators, use of low-carbon technologies, green spending plans, and expansion of carbon-intensive assets
Supporting criteria	Assessment of the level of consistency given to transitioning their business, such as the use of offsets/credits, TCFD alignment and SBTi target validation submission

Sector-specific considerations

Assesses transition-related elements that have not been addressed within the other sections

Sector-specific indicators

Additional sector-specific factors that impact the strength of a transition plan

Energy	Power	Cement
• Methane commitments	• Coal phase-out plan	• Target set on gross basis

Unscored criteria

Factoring additional data points that might be beneficial for benchmarking purposes and/or for future reference

Just transition pilot

Ambition score

A1 - A5

Credibility score

C1 - C5

Client Transition Framework score

Best	T1	T2	T3	T4	T5	Worst

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Embedding the CTF

CTF assessments are increasingly used to inform decision-making across Barclays, including client engagement, restrictions on financing and capital allocation.

During 2023 we expanded how CTF scores are used in support of our broader climate strategy. The CTF informs our engagement with clients while also helping to identify and manage transition risk in our own financing portfolios.

Capital is critical for a successful energy transition and we are focusing our financing towards clients actively engaged in the energy transition. The scale of our business gives us the opportunity to help finance the energy transition – to use our global reach, products, expertise and position in the global economy to work with our clients, including those in the Energy sector, as they transition to a low-carbon business model.

In 2023 we began climate-specific engagement for those clients with CTF scores of T4 and T5, facilitated by a newly established Client Transition Review Forum (CTRF).

The CTRF consists of senior representatives from across Sustainable Finance, ESG & Sustainability, Climate Risk, Portfolio Management, and Banking and is chaired by the Head of Sustainable Finance. Informed by the CTF, this new forum conducts holistic reviews of our business appetite alongside the future client relationship potential. These are informed by the CTF assessment and take into account consideration of relevant risks and other business factors.

These reviews help determine our financing appetite for these clients (including consideration of client retention and conditions to refinancings), alongside implications for our emissions reduction targets, commercial, credit and reputational impacts. Notwithstanding the outcomes of the CTRF reviews, financing decisions are transaction specific, and will continue to be subject to consideration by relevant committees, such as in relation to credit risk, reputation, and capital impact.

As a newly established forum, its governance of the CTRF will continue to evolve to ensure it remains fit for purpose.

We reviewed over 300 client counterparties at the CTRF in 2023, engaging with clients as appropriate, to help build awareness of the need to transition and gather information on how we can best support them in their journey. The CTF helps us prioritise client engagement, focusing on those most at risk of falling behind our transition expectations.

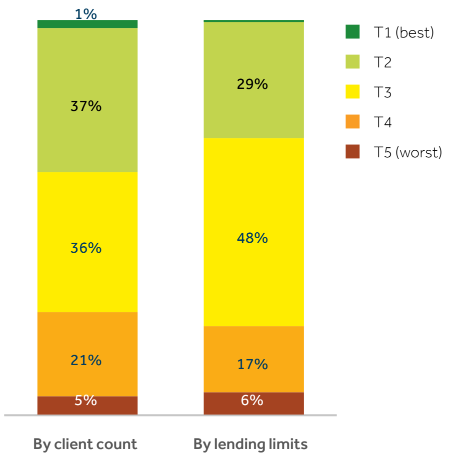
We have also begun to use the results from the CTF assessments to drive engagements with clients, facilitating discussions about their transition plans and providing insights such as highlighting how they benchmark against their peers.

We have found this engagement helps increase our connectivity with these clients and can be useful in identifying opportunities to further finance their transition.

We are also using the CTF scores to inform our business and credit appetite as we look to manage transition risks within our portfolios. To do this we have begun implementing CTF-linked mandate and scale limits.

The CTF approach is kept under review and we are considering enhancements in 2024, including reviewing the weightings for criteria such as energy clients capex, to align elements more closely to our updated Climate Change Policy.

CTF results



Note: Charts and figures exclude clients determined to be out of scope for the CTF assessments. Clients may have scores in multiple sectors but are included only once to avoid double-counting.

Using our updated CTF methodology we completed assessments covering over 1,250 counterparties during 2023 across our Power, Energy, Steel, Cement, Automotive manufacturing and Aviation BlueTrack™ sector portfolios.

Findings, by client count, from our assessments include:

- 86% have a public emissions reduction target
  - of which 38% in SBTi-eligible sectors have had their targets validated
- 67% have executive compensation tied to ESG progress
- 85% have explicit board oversight of their transition plan or emissions targets
- 40% have committed to a just transition.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Energy and Power

Context: The Energy and Power transition

The successful transition of the Energy and Power sectors is crucial to achieve net zero by 2050 as together they account for 75% of global GHG emissions, the majority of which come from the combustion of fossil fuels by end users – for example, in automotives and power generation[1]. Emissions from fossil fuel extraction, including from flaring and venting, is also significant – and responsible for 40% of global methane emissions[2].

The global economy still uses fossil fuels for many essential activities – including electricity generation, transport and heating. The IEA scenarios to limit global warming to 1.5°C assume continued but reducing use of fossil fuels as part of the energy mix.

As Energy and Power play a fundamental role in society, the transition must balance the need to address energy security and shift energy supply while meeting energy demand. Consideration must also be given to the need for a just transition, ensuring equitable access to energy across communities.

We will continue to support an energy sector in transition, focusing on the diversified energy companies investing in low carbon and with greater scrutiny on those engaged in developing new oil and gas projects.

Notes:
1 See climatewatchdata.org/ghg-emissions
2 See iea.org/energy-system/fossil-fuels/methane-abatement

Reducing our Energy and Power-financed emissions

We have set targets to reduce our financed emissions from our Energy and Power portfolios in line with the decarbonisation pathway set out in the IEA Net Zero scenario (IEA NZE).

To meet our targets we utilise our full toolkit including CTF assessments, client engagement, portfolio management and restrictive policies, which are included in our Climate Change Statement.

As outlined on page 90 above, our CTF assessments evaluate over 80 data points for each assessment and, in relation to Energy and Power, include the following additional criteria:

- Methane emissions reduction targets (for Energy)
- Commitments to phase-out thermal coal (for Power)

We actively engage with clients to help build awareness of the need to transition and gather information on how we can best support them in their journey. The CTF is helping us to prioritise client engagement, focusing on those most at risk of falling behind our transition expectations.

We have established a climate portfolio management team to steer our portfolio towards achieving our targets and manage transition risks, using CTF scores to inform our business and credit appetite.

Total exposure to the Energy sector is subject to a constrained and closely monitored aggregate risk appetite. We have begun implementing CTF-linked credit limits for the clients most at risk of failing to transition in line with our targets and climate risk appetite – currently identified as those with scores of T4 and T5.

We have a Climate Change Statement which sets out our positions and approach to sensitive sectors. In 2024 we have updated the Climate Change Statement to include new requirements for the Energy sector and restrictions on the type of exposures and risk we will finance going forward.

Under the updated Climate Change Statement, Energy Groups with more than 10% of their total planned upstream oil and gas capital expenditure in expansion, non-diversified groups and Energy Groups with the lowest CTF assessment scores will be subject to mandatory annual review by the CTRF to determine whether continued financing support is appropriate in the context of their expansion plans and overall transition plan.

Notwithstanding the outcomes of the CTRF reviews, financing decisions are transaction specific, and will continue to be subject to consideration by relevant committees, such as in relation to credit risk, reputation and capital impact.

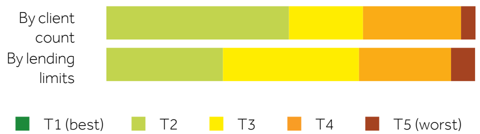
By 2026, we will only provide financing to Energy clients with Scope 1 and 2 emissions reduction targets, methane emissions targets, and commitments to end all routine and non-essential venting and flaring.

More details on the updated policy can be found on page 100, **our Climate Change Statement can be found home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/ and further information on our client engagement can be found on** page 107.

CTF Energy and Power portfolio results

Energy portfolio

- 78% of in-scope clients have a methane-reduction target



Power portfolio

- 74% of in-scope clients will have phased-out coal by 2030

Note: Charts and figures exclude clients determined to be out of scope for the CTF assessments

CTF energy portfolio score descriptions

T1 (best)	Clients are fully aligned with our NZE targets. This requires net zero targets (NZE 1.5°C-aligned or equivalent) across all relevant scopes, including Use of Sold Product (Scope 3, Category 11) by 2050 (for Energy), evidence of strong progress already made, and disclosures of advanced planning to reduce emissions further.
T2	Clients have targets across all relevant scopes and strong plans but may be missing some of the clarifying details of a T1 plan – or may not have demonstrated strong steps taken to date.
T3	Clients may have very ambitious targets but lack the details to evidence that they will achieve it, a weak target but robust disclosures evidencing that they will achieve it, or a combination thereof. Energy clients without Scope 3 disclosures and Scope 3 targets cannot achieve better than T3.
T4	Clients have poorly disclosed plans. They generally have some combination of targets that are weaker than the scenarios require, disclosures lacking in detail, or limited evidence that steps are already being taken.
T5 (worst)	Clients have the default and lowest score. These clients provide limited publicly available information on their sustainability targets and strategy. A client must have publicly demonstrated transition planning including some evidence of their historic, current and future emissions reduction efforts to score better than T5.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Aviation

Currently there are no alternative power technologies – such as electric or hydrogen – for commercial aircraft that are expected to be at scale for the foreseeable future. Therefore, decarbonising the Aviation sector over the next 10-15 years will require a significant increase in the historical pace of emissions reductions – which will be dependent on both the price and availability of sustainable aviation fuel (SAF) and the continued production and delivery of lower-emissions aircraft.

Our Aviation emissions intensity target

We have set a target to reduce the financed emissions intensity of our Airlines portfolio by 11-16% by end of 2030 against a 2023 baseline, calculated using our BlueTrack™ methodology:

- The lower emissions reduction in the range reflects a convergence point for our portfolio with the MPP PRU scenario, which is consistent with limiting global warming to 1.5°C.
- The higher emissions reduction in the range is aligned to the rate of emissions intensity reduction in the MPP PRU scenario, consistent with our approach for our other existing 2030 targets.

Financed emissions - Aviation (Passenger and Cargo)
Physical Intensity (gCO_2e/RTK) (Indexed December 2023 = 100)

Estimating our financed emissions

Barclays is a founding signatory to the Pegasus Principles – the first climate-aligned finance framework for the Aviation sector, developed by the Rocky Mountain Institute (RMI) in partnership with global banks and in consultation with leading airlines and lessors, The Pegasus Principles will launch publicly this spring.

In developing our approach for the Aviation sector we have worked closely to align our BlueTrack™ methodology with this common framework we expect will also be used by a number of other peer banks. By aligning ourselves with an emerging industry consensus approach we hope to create consistency and transparency for our clients and for our stakeholders in our own reporting.

In line with the Pegasus Principles we are estimating the financed emissions and emissions intensity of our Aviation portfolio using a physical intensity metric, gCO_2e/revenue-tonne-kilometre (gCO_2e/RTK). The scope of this portfolio target includes emissions related to direct combustion of jet fuel by aircrafts (tank-to-wake/Scope 1) and upstream production and refining (well-to-tank/Scope 3) for commercial passengers (including belly cargo) and dedicated air cargo operators.

Emissions scope can differ based on the actual operator of the aircraft, as the owner of the aircraft may not necessarily be the operator – lessors versus airlines, for example. Military aviation, corporate jets, general civil aviation, tour operators and multi-modal logistics companies are out of scope due to low materiality (as a share of sector emissions) and data availability challenges.

To do this we have partnered with PACE (Platform for Analysing Carbon Emissions), a Pegasus Principles-qualified data provider, to provide granular emissions and activity data based on specific flight routes and aircraft flown for each airline operator.

Further details on our financed emissions methodology can be found in our latest Financed Emissions Methodology paper (published in 2024) at: home.barclays/esg-resource-hub/reporting-and-disclosures/

Future progress against this target

The general factors outlined on page 89 in relation to progress against our targets will equally be relevant to this portfolio. Additionally, and more specifically, we are clear as to the level of emissions reductions required to align with the MPP pathway – but we recognise there are many dependencies and variables outside of our control, and that of our clients, which will determine how quickly emissions intensity can reduce in this sector.

We note that our clients' ability to meet their own targets is dependent on continued regulatory, policy, technical, and supply chain support for the industry – including the future availability and price of SAF – and clients' progress towards achieving their targets may impact our ability to achieve our own.

Additionally we note that, while we are setting an 2030 interim target, many of our clients have set their own interim targets to a 2035 date to specifically account for hoped-for growth in SAF production – and, since the level and timing of that growth is an imperfect estimate, the pathway to our targets may not be linear (or close to linear), and may limit our ability to accurately determine whether we are on path to achieve, or are able to achieve, our own targets.

Note:
△ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Agriculture

Barclays finances customers and clients across the agriculture-food value chain – from farmers and producers of food products to retailers and restaurants. As one of the largest lenders to farmers in the UK, Barclays is well placed to provide support through the changing nature of the Agricultural sector – in particular the ongoing shifts in consumer diets. Other factors important to consider are the impact of decarbonisation on broader food security and affordability, where upside and downside risks exist depending on the form the transition takes as well as the opportunity for carbon sequestration and improving biodiversity – given the sector controls 71% of land in the UK.

Further information on our management of nature-related risks, including in the UK Farming sector, identified during our TNFD assessment of our European Agriculture and Food portfolio can be found on page 276.

To support UK farmers through this transitional period, Barclays finances activities that aim to reduce emissions in Agriculture and result in nature-positive outcomes. This includes investment in low-carbon farming measures and financing to improve machinery energy efficiency. We also have a dedicated Agriculture Technology Fund to support farming clients undertaking more sustainable practices or implementing energy-efficiency improvements. In addition, we support early-stage companies developing technology solutions needed for the transition to net zero through our Sustainable Impact Capital portfolio. For example, in 2023 we invested in Agricarbon – a UK-based soil carbon measurement start-up.

Further details on our Sustainable Impact Capital can be found on page 117.

Barclays engages with farmers to explore the challenges and opportunities that may emerge from the decarbonisation of the Agricultural sector. In 2023 we launched a survey of our UK Livestock and Dairy farming clients to better understand the challenges they may face in progressing towards net zero.

We also work individually with clients using our Client Transition Tool (CTT) to identify nature and decarbonisation risks, as well as considering social risks. We support peer-to-peer learning through our Farm to Farm initiative that facilitates events for farmers in similar geographic areas to cultivate innovative sustainable farming practices. Over 100 farming clients attended Farm to Farm events in 2023, with further events planned for 2024.

Estimating our financed emissions

There are significant challenges to calculating emissions for the Agricultural sector, notably a critical lack of data on the activities and practices of our agricultural customers and clients, and modelling challenges around agricultural emissions intensity. This is exacerbated by the highly disaggregated nature of the farming industry – characterised by a large number of small farm holdings – which makes collating and processing data challenging, and requires the use of estimated data.

As a result Barclays has focused its initial assessment on the UK Dairy and Livestock sector – which is responsible for c.70% of UK total agricultural GHG emissions. Barclays is setting a target to reduce the absolute emissions ($MtCO_2e$) of our UK Dairy and Livestock portfolio by 21% by end of 2030, against a 2023 baseline – in line with the Balanced Net Zero (BNZ) 1.5°C-aligned scenario developed by the CCC.

To help advance approaches to Agriculture-financed emissions measurement, and target setting in the banking sector more broadly, Barclays is a member of the Banking for Impact on Climate in Agriculture (B4ICA) working group – which produced an introductory guide on target setting for the sector in 2022 and worked on a further update over 2023.

B4ICA Introductory guide can be found at: wbcsd.org/Focus-Areas/Banking-for-Impact-on-Climate-in-Agriculture-B4ICA

Barclays is also engaged in a three-year collaboration with Oxford University to develop food type production datasets for the UK. The aim is to quantify Barclays-financed emissions in more detail and consider additional transition risks.

Further details on our partnership with Oxford University can be found at: home.barclays/news/pressreleases/2022/10/barclays-and-oxford-universityannounce- 3-year-agri-climate-part/

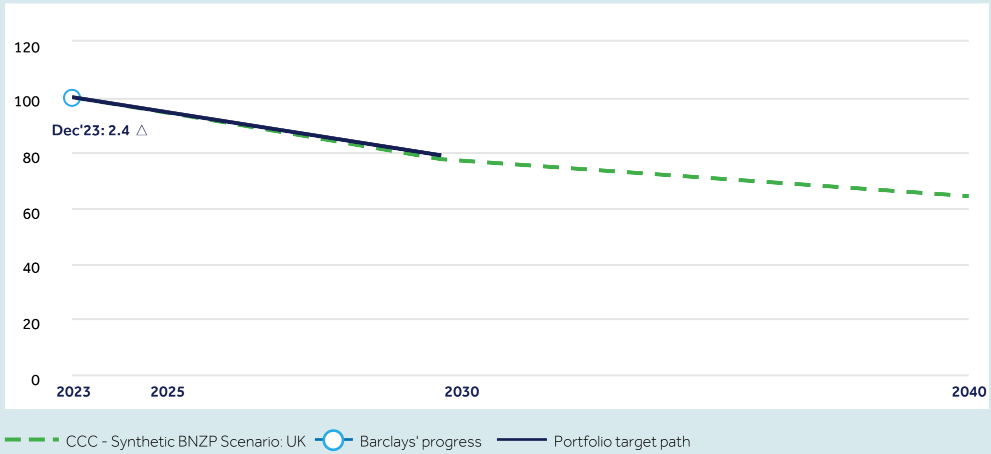
Further details on our financed emissions methodology can be found in our latest Financed Emissions Methodology paper (published in 2024) at: home.barclays/esg-resource-hub/reporting-and-disclosures/

Future progress against this target

The general factors outlined on page 89 in relation to progress against our targets will equally be relevant to this portfolio. Additionally, and more specifically, the transition of the UK Dairy and Livestock sector is significantly dependent on broader consumer behavioural change and public policy interventions – which are outside Barclays' control and may affect our ability to achieve this target.

Further, we expect the data underlying the UK Dairy and Livestock model to continue to evolve and be refined in order to address the challenges outlined above, and that this could impact our metrics and this target.

Financed emissions - UK Agriculture: Dairy and Livestock
Absolute emissions ($MtCO_2e$) (Indexed December 2023 = 100)



Note:
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Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Barclays' actions to decrease the emissions intensity of its Agriculture portfolio must be complemented by public policy interventions to drive consumer and behavioural change.

Lever	Climate Change Committee's description	Barclays' actions
Diet change and food waste	20% reduction in meat and dairy consumption (replaced with plant-based), and 50% reduction in food waste (mostly holds) by end of 2030	• Assess and support farmers' ability to adapt income streams in line with changing consumer habits
Low-carbon farming	Behavioural and innovative measures to decarbonise food production, such as cover cropping and anaerobic digestion	• Support farmers to implement low-carbon farming methods through new and existing products • Work across the supply chain to explore enabling low-carbon farming methods for a greater number of farmers
Low-carbon machinery	Electrification, hydrogen and (later) phase-out of biofuels	• Offer customers incentives for renewables, including Green Barclayloan, Agriculture Technology Fund, and Green Asset Finance • Work with the Agricultural machinery sector to understand viability and availability of low-carbon machinery

The secret animal #2 is a "penguin".

Carbon Clarity partnership supports UK farmers

Launched in 2018, the Rebuilding Thriving Local Economies initiative was launched in four locations across the UK to identify how Barclays can provide support over and above what we do every day as a bank. By collaborating with local people and organisations, it has focused on helping individuals develop skills and confidence – as well as supporting businesses to grow. In 2023 Barclays partnered with The Royal Countryside Fund to expand its Carbon Clarity programme and provide free support for 53 farms in Somerset and Norfolk to understand how they could better manage carbon. The programme offered an introduction to carbon reduction on farms through group workshops, one-to-one support, and assistance in creating a carbon 'action plan'.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

UK Commercial Real Estate

The Commercial Real Estate (CRE) sector has a role to play in the decarbonisation of UK buildings, the second-highest-emitting UK sector. CRE represents the next highest portion of GHG emissions in that sector after residential buildings, primarily from the fossil fuel heating systems used. There are number of significant challenges to decarbonising the entire UK buildings sector, which require engagement and systematic change, outside of Barclays' control and as further outlined on page 97. CRE sector challenges are further compounded by the added complexity of landlord-tenant dynamics – which requires collaboration on minimising energy use, sharing of energy data and consideration of energy intensity of fit-outs and retrofit solutions. Further, the diverse building stock in the UK is likely to require tailored client strategies for these retrofit solutions.

The different characteristics of the clients in this portfolio – which include institutional real estate investors and quoted real estate companies with their own transition strategies and stakeholder expectations – mean there are different and additional potential drivers of transition in this portfolio. Further, the relationship-led nature of the UK Corporate Bank and its in-house asset management expertise enables a client-first approach to influence transition planning at a portfolio level. We are therefore setting a target for this portfolio but recognise that there are significant challenges to achieving it as a result of factors outside of Barclays' control.

Estimating our financed emissions

The in-scope portfolio represents the majority of the UK commercial and residential real estate investment financing to assets across a diverse range of sub-sectors including office, retail, industrial and logistics, and residential properties managed within the UK Corporate Bank.

To support the transition of our commercial real estate clients we have set a target to reduce the financed emissions intensity ($kgCO_2e/m^2$) by 51% by end of 2030 against a 2023 baseline, calculated using our BlueTrack™ methodology and integrating the approach recommended by PCAF.

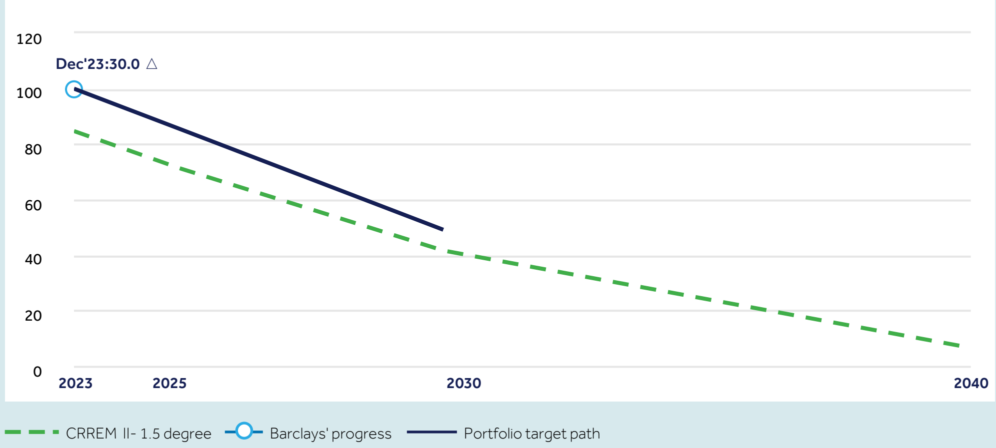
The emission reductions required aligns with CRREM 2022 – the leading global standard and initiative for operational decarbonisation of real estate assets – which provides the granularity of pathways for sub-sectors within the in-scope portfolio. We may expect our CRREM pathway to change if the portfolio materially changes.

The high proportion of commercial properties within scope has created challenges in data matching to external sources. Consequently, we are investing in our systems to increase the data coverage and decrease the use of estimations in our target setting in future years.

Further details on our financed emissions methodology can be found in our latest Financed Emissions Methodology paper (published in 2024) at: home.barclays/esg-resource-hub/reporting-and-disclosures/

Financed emissions - UK Commercial Real Estate

Physical Intensity ($kgCO_2e/m^2$) (Indexed December 2023 = 100)



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Future progress against this target

The general factors outlined on page 89 in relation to progress against our targets will equally be relevant to this portfolio. Additionally, and more specifically, CRE is dependent on broader industry and regulatory changes which are required to deliver the decarbonisation of the UK energy grid, the phasing-out of fossil fuel heating, and the maturity of supply chain to deliver the required retrofit solutions. Regulation and policy advancement will also play a key role, especially in relation to supporting low-carbon heating and setting requirements in relation to EPC standards. These changes are outside Barclays' control and may affect our ability to achieve this target.

Further, as the data underlying our model continues to evolve and be refined to address the challenges outlined above, this could impact our metrics and this target.

We will continue to engage with clients to understand their approach to the transition and how Barclays can best support – ranging from education to tailored loan solutions. Over the medium term, supporting new residential developments through our Sustainable Residential Development Framework – which enables the classification and tracking of residential development loans to our UK Corporate Banking clients, as well as the deployment of sustainability-linked loans – which will support our housebuilding clients in achieving their sustainability goals including reducing emissions of new homes built.

Read more about the Sustainable Residential Development Framework here: barclayscorporate.com/content/dam/barclayscorporate-com/documents/solutions/corporate-banking-solutions/Green-solutions/Sustainable-residential-development-landscape.pdf

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

High-level assessment of drivers of net zero for UK buildings

Driver	Barclays' role
Decreasing the emissions intensity of Barclays' UK Housing and UK CRE portfolio is highly dependent on external changes and public policy interventions to deliver the drivers below	
Improvement in energy efficiency of existing buildings	• Continue to offer education, financing products and services to incentivise retrofitting • Advocating for external measures to drive take-up of retrofitting • Support Social Housing providers and commercial landlords in their transition journey
Decarbonisation of UK electricity grid	• Supporting our clients in the Power sector in their net zero transition • Advocating for the UK Government to deliver on its ambitions to decarbonise the electricity grid
Phasing-out of fossil fuels in heating	• Continue to offer education, products and services to incentivise customers switching to low-carbon heating
New homes built to net zero standard	• Continue to promote energy efficiency in new builds through propositions such as Green Home Mortgages • Continue supporting our Corporate Bank's real estate clients in their transition – for example through Barclays' Sustainable Residential Development Framework • Continue supporting our Social Housing providers to provide energy-efficient, affordable new housing (to own and rent)
Behavioural change	• Continue to offer education to customers on energy efficiency and promote reduction of usage through tools, awareness and partnerships

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

UK Housing

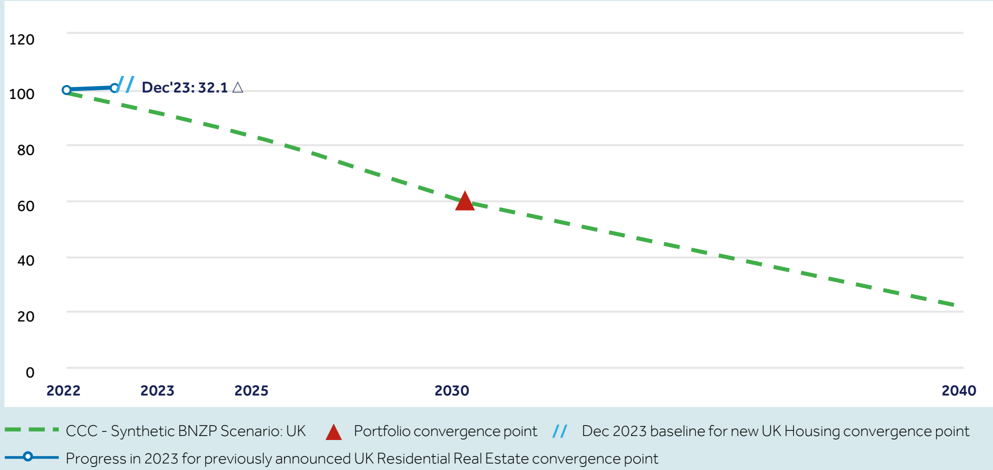
Widened scope for UK Housing

Buildings contributed 17% of total UK GHG emissions in 2022, of which residential buildings represented 75% – primarily from the use of oil and gas in heating and hot water. Decarbonising UK homes is a complex challenge that will require widespread engagement and systemic change.

[illegible] tify these
The secret shape is a "heart".
scope of our previously announced UK Residential Real Estate convergence point. The expanded scope, renamed to UK Housing sector, now includes Social Housing and Business Banking Real Estate portfolios, alongside the previous scope of Barclays UK residential and Private Banking mortgage portfolios. The real estate portfolios within the UK Housing sector share similar underlying assets – 99% are UK residential properties – thereby referencing the same CCC BNZ pathway and sharing similar decarbonisation levers. Barclays continues to support the UK Housing sector through the provision of mortgages, financing of social housing providers and expanded product offerings designed to support the decarbonisation of the UK Housing stock.

Composition of UK Housing portfolio Dec'23

Financed emissions - UK Housing
Physical Intensity ($kgCO_2e/m^2$) (Indexed December 2022 = 100)



Note:
△ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Estimating our financed emissions

The decarbonisation of the UK Housing sector in line with the CCC BNZ scenario depends mostly on external changes and public policy interventions. Without these external changes, Barclays cannot materially decrease the emissions intensity of its UK Housing portfolio. Barclays has therefore chosen to identify the 2030 emissions intensity 'convergence point' – and measure our progress towards it – but not to set a formal target at this time. In 2022 we estimated the financed emissions and emissions intensity of our UK Residential Real Estate sector by integrating the PCAF approach into BlueTrack™.

In 2023 the emissions intensity for that sector increased by c.1% due to increased emissions from the UK electricity grid – despite an improvement in known EPC ratings for our Barclays UK mortgage portfolio. Going forwards, the additional portfolios making up the expanded scope of the UK Housing sector will be tracked.

We continue to use the CCC BNZ scenario as the benchmark for this sector as it is specific to the UK, independent, developed by a credible institution and aims to achieve net zero emissions for the UK by 2050. We are maintaining a convergence point of a 40% reduction in CO_2e emissions intensity by the end of 2030. However, to reflect the expanded scope, this will now be against a 2023 baseline for the UK Housing sector.

+ Further details on our financed emissions methodology can be found in our latest Financed Emissions Methodology paper at: home.barclays/esg-resource-hub/reporting-and-disclosures/

Drivers of reduction in emissions in UK Housing

Key drivers in the transition to net zero in the UK Housing sector are the decarbonisation of the UK electricity grid and the phasing-out of fossil fuels in domestic heating through the switch to low-carbon heating – bringing cleaner energy into our customers' homes. This will largely be driven by the transition of the Power sector alongside UK Government policy to drive the decarbonisation of the UK electricity grid and promote take up of low-carbon heating. Barclays can play a role through supporting renewable energy projects and clients in the Power sector, through Sustainable and Transition Finance activity and through Sustainable Impact Capital investments.

Another key driver required to reach net zero in the UK Housing sector is to improve the energy efficiency of existing homes – which includes improving the fabric of homes and adopting other energy efficiency measures. Other key contributors include new homes being built to net zero standard, with low-carbon energy sources and high energy efficiency ratings, and a reduction in energy consumption through changes in behaviour.

+ Read more about the Barclays-commissioned report from Ipsos UK on consumer retrofitting behaviour on page 112.

As a mortgage lender to retail and business banking clients, we can support customers who choose to retrofit their properties, switch to low-carbon heating, and explore ways to reduce their energy consumption by providing financial products, services and partner offers.

+ Further details on our Greener Homes Propositions can be found on page 111.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Our Social Housing business engages with clients on ESG, including where they are on their transition journey and what we can do to support them. The sector is already demonstrating above-average energy efficiency in portfolios and many housing associations have a stated objective of moving stock to EPC C or better by 2030. Aligned to this objective the sector's energy efficiency has been improving – and we are seeing examples of deep retrofit projects and newly delivered housing schemes with properties rated EPC band A/B.

As an established lender to the Social Housing sector, we continue to be an active market participant, are structuring some of our loans with sustainability metrics where this is within client appetite, and have amended covenant terms we are prepared to accept to support retrofit.

However, we expect the overall impact of our actions to be low given the barriers to retrofitting – such as high upfront costs and current low customer demand due to low incentives to change. Additionally, the potential management actions available to Barclays are limited due to this being a portfolio of customers or end users who are retail in nature, and predominantly consisting of residential properties.

To see more about Barclays actions with regards to the drivers of net zero for UK Buildings, please refer to the table on page 97 above for details of Barclays' approach to drivers in UK buildings.

Our EPC ambition

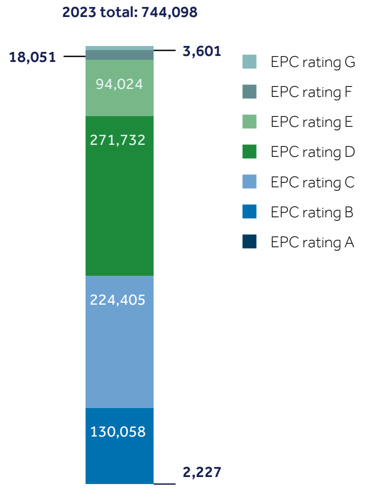
Barclays is expanding its EPC ambition scope[1] to include Social Housing, Business Banking Real Estate and Kensington Mortgage Company Limited[2], alongside the previous scope of the Barclays UK mortgages portfolio.

In line with our efforts to improve the energy efficiency of our UK Housing portfolio, Barclays has set an updated EPC ambition of 55% of properties and collateral in scope of our EPC ambition – with a known EPC to be rated band C or better by 2030.

As at the end of Q3 2023, 47.9%[3] of Barclays properties and collateral in scope of our EPC ambition with a known EPC were rated band C or better.

There are industry-wide challenges to ensure the properties in our portfolio have EPC certificates, given approximately one-third of housing stock in England and Wales does not have a valid EPC rating.

EPC ratings of properties and collateral in scope of EPC ambition[4]



47.9%

of properties and collateral rated A-C of available EPCs

Notes
1 EPC ambition scope does not currently include Private Bank due to EPC data reporting limitations.
2 Kensington Mortgage Company Limited is not currently included in UK Housing sector emissions intensity convergence point due to portfolio reporting limitations.
3 Metric based on number of properties and collateral in portfolios that make up the EPC ambition scope as of 31 December 2023.
4 EPC data for Barclays UK mortgages and Kensington Mortgage Company Limited are as of 30 September 2023. Matched EPC data for Social Housing and Business Banking Real Estate are as of 31 October 2023.

Ongoing work on portfolio alignment

As part of our commitment under the NZBA, we have set targets for material[1] high-emitting sectors in our portfolio.

Using BlueTrack™, we have assessed our financed emissions and have targets for eight high-emitting sectors. These targets cover our Energy, Power, Cement, Steel, Automotive manufacturing, Agriculture, Aviation, and CRE portfolios. We have also set a convergence point for UK Housing.

We previously assessed financed emissions for Aluminium – and, during 2023, for Shipping – but decided against setting targets. For Aluminium, this was the result of a detailed review of our Metals (Steel and Aluminium) portfolios, which found that Barclays does not have a material exposure to the Aluminium sector[2]. For Shipping, as explained on page 85 in relation to material sectors and net-zero-aligned targets, our assessment identified that due to our limited financing volumes and financed emissions across a small number of clients it would be difficult to set a target at this time.

During 2023 we also developed a high-level modelled assessment of the emissions associated with our financing activities across our portfolio, largely aligned to the PCAF Standard – including undrawn commitments, contingent liabilities and capital markets financing.

+ **See section Reducing our financed emissions on** page 80.

We intend to build on this assessment to deepen our understanding of the emissions associated with our financing activities. Informed by this work, we intend to consider the most appropriate approach to extend our target coverage with the aim of ensuring it covers relevant areas of the value chain and/or our financing activities.

Together, our work to set financed emissions reduction targets as part of our commitment to the NZBA, and to establish a baseline assessment of the emissions associated with our financing activities consistent with the PCAF Standard, will aid our understanding of the extent to which our financing aligns with the goals and timelines of the Paris Agreement.

During 2024 we intend to further develop our approach to the implementation of the Transition Plan Taskforce (TPT)'s recommendations – and to include information relating to transition planning in future climate disclosures. As part of this, we intend to develop Sector Transition Strategies aimed at summarising our approach to support the transition in a particular sector.

Notes:
1 As defined in Foundations of Climate Mitigation Target Setting published by the UNEP Finance Initiative (unepfi.org/wordpress/wp-content/uploads/2022/05/Foundations-for-climate-mitigation-target-setting.pdf).
2 With the exception of diversified mining companies where aluminium production is a small element of their overall activities, and where it would therefore be difficult to set standalone aluminium emissions intensity reduction targets.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Restrictive policies

In addition to setting sector-specific emission reduction targets, consistent with our Purpose and driven by consideration of all relevant risks and other factors, we have set explicit restrictions to curtail or prohibit financing of certain activities in sensitive sectors. These policies are listed below and set out in detail within our statements and policy positions.

Our restrictive policies are regularly reviewed and updated in light of the rapidly changing external environment and are informed by engagement with our stakeholders, including shareholders, clients, subject specialists and civil society groups. In 2023 this included a review of nature-related impacts and dependencies and social risks of different technology types to help inform our approach to due diligence.

Our Climate Change Statement sets out our positions and approach to sensitive sectors with tightening policy criteria and increasing expectations over time. In 2024 we have updated the Climate Change Statement to include new requirements for upstream oil and gas and restrictions on the type of exposures and risk we will finance going forward, as well as additional restrictions on financing in relation to the Amazon Biome, ultra-deep water and extra heavy oil).

For further details on the scope and application of the updated positions please see page 63.

Barclays will continue to support an energy sector in transition, focusing on the diversified energy companies investing in low carbon and with greater scrutiny on those engaged in developing new upstream oil and gas projects.

The experience of the last few years leads us to recognise that client transition pathways will vary and the ability of our clients to meet our requirements may be affected (positively or negatively) by external factors, including, for example, the public policy and regulatory environment, technological advancement, geopolitical or regional developments, energy security, cost of living and just transition factors. We intend to continue to work with and support our clients as they transition their business and will monitor and engage with them on their progress and the impact of external factors over time, through our Enhanced Due Diligence and Client Transition Framework.

We anticipate that companies which are unable or unwilling to reduce or eliminate their emissions consistent with internationally accepted pathways may find it increasingly difficult to access financing, including through Barclays. Further restrictions are set out in our Position Statements relating to Forestry & Agricultural Commodities as well as World Heritage Site and Ramsar Wetlands, which were reviewed in April 2023. In the latter case only minor changes were made.

We will continue to keep our policies, targets and progress under review in light of the output of both EDD and CTF reviews, the rapidly changing external environment and the need to support governments and clients, in our efforts to meet our ambition of being a net zero bank by 2050.

Position and policy statements on sensitive sectors

Climate change

- **Upstream oil and gas (new)**
- **Unconventional oil and gas**
  - Oil sands
  - Fracking
  - Arctic oil and gas
  - Amazon oil and gas (new)
  - Ultra-deep water (new)
  - Extra heavy oil (new)
- **Thermal coal mining**
- **Thermal coal power**
- **Biomass (new)**

Forestry and Agricultural commodities

- **Timber, pulp and paper**
- **Palm oil**
- **Soy**
- **Beef (new)**

Further details can be found at:
home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/

Forestry and Agricultural Commodities Statement

Barclays recognises the critical importance of addressing deforestation in delivering on global climate and biodiversity goals. A major cause of deforestation is the production of forestry and agricultural commodities such as timber, beef, palm oil and soy, and we have a position statement and due diligence approach that applies to clients involved in these activities (first published in 2019 for forestry and palm oil and refreshed in 2020 to include soy).

We have engaged with investors, clients and civil society organisations on this topic, which has informed a review of our Forestry and Agricultural Commodities Statement. This was updated in April 2023 with a number of significant changes.

The updated Statement now covers clients involved in South American beef production or primary processing, and enhances the existing requirements for clients involved in soy and palm oil. Among other criteria, the Statement requires that these clients commit to having fully traceable and deforestation-free commodity supply chains by the end of 2025 – a position aligned with industry good practice guidance such as the Accountability Framework Initiative[1] and Agriculture Sector Roadmap for 1.5°C[2].

In addition, the Statement requires that clients prohibit the production or primary processing of soy or beef from deforested areas of the Amazon, in recognition of the critical nature of this biome to biodiversity and climate objectives.

Notes:

1 accountability-framework.org/
2 tropicalforestalliance.org/en/collective-action-agenda/cop27-roadmap/

For further information, please see our Forestry and Agricultural Commodities Statement: home.barclays/content/dam/home-barclays/documents/citizenship/our-reporting-and-policy-positions/Forestry-and-Agricultural-Commodities-Statement.pdf

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Financing the transition

In light of the progress made against our previously announced targets, and after a strategic review of the Group's capabilities, market demand and growth opportunities, in December 2022 we announced a new target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030. We also announced an extension of our Sustainable Impact Capital portfolio, with a new mandate to invest up to £500m into global climate tech start-ups by the end of 2027.

Facilitating $1trn of Sustainable and Transition Financing

At Barclays we are clear that addressing climate change is a complex challenge that demands a fundamental transformation of the global economy. Low-carbon technologies, infrastructure and capacity must be scaled up to meet growing energy demands and for the world to reach net zero. The financial sector has an important role to play in supporting the transition and we are determined to play our part. We are deploying financing to help scale-up the necessary activities needed in the transition to net zero.

+ **For further details on climate-related opportunities see** page 70.

In December 2022 we announced a new target, to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030. This followed our two previously announced targets: to deliver £150bn of social, environmental and sustainability-linked financing by 2025, which we surpassed in 2021, and to deliver £100bn of green financing by 2030, which we surpassed in 2023.

Our $1trn target encompasses the green, social, transition and broader sustainability-linked financing requirements of clients including corporates, governments and the public sector, financial institutions and consumers. This includes financing of climate and environmental solutions including green mortgages, energy-efficient technology and renewable energy, as well as financing for broader social and sustainability work – including sustainability-linked structures and areas such as affordable housing. We are also facilitating funding into green technologies and low-carbon infrastructure projects, as well as using our advisory capabilities, product sets and financial expertise to help our customers and clients realise their own transitions to a low-carbon economy.

The inclusion of transition financing in this target reflects our recognition of the importance of supporting the decarbonisation of hard-to-abate sectors that are carbon intensive. In early 2024 we announced our Transition Finance Framework (TFF), which outlines the criteria for transactions to qualify as transition financing and sits alongside our Sustainable Finance Framework (SFF) to define what can be included against this target.

+ **Examples of qualifying transactions can be seen in our case studies on** pages 30, 115 and 116.

Our ability to meet the $1trn target and progress towards it from year to year will be dependent on a number of factors and variables outside our control. Factors such as market conditions, policy, laws, regulation, geopolitical developments and stakeholder expectations - including approaches to product labelling and regulatory scrutiny of green, sustainability-linked and social products - could impact lending and capital markets appetite and our approach to risk management, and therefore present a risk to our progress against, and delivery of, the target.

Additionally, new climate and decarbonisation technologies may scale at varying rates, including being reliant on the supply and demand of raw materials, which may impact financing volumes.

We will continue to review and adapt our approach to Sustainable and Transition Financing in response to the evolving market opportunities.

Progress against our $1trn target

During 2023 we facilitated $67.8bn$^{\Delta}$ of Sustainable and Transition Financing, of which $67.4bn was sustainable financing, slightly up on 2022 of $65.3bn, and $0.4bn$^{\Delta}$ was transition financing that qualified against our new Transition Finance Framework. Our facilitation of $67.8bn$^{\Delta}$ of Sustainable and Transition Financing in a challenging market demonstrates our continued focus on supporting our clients on their sustainability journeys.

Bond issuance[1] was the largest product category in 2023, accounting for 76% of total Sustainable and Transition Financing while loans and equity accounted for 19% and 3% respectively. This mix showed a small shift towards bond activity and away from loans compared to the mix of our 2022 sustainable financing of $65.3bn, which comprised 71% bond issuance, 26% loans and 2% equity.

Sustainable finance

Sustainable financing, aligned to our Sustainable Finance Framework, consists of financing for dedicated use of proceeds, financing for clients with an eligible business mix in relevant environmental and social categories, and sustainability-linked financing which refers to general purpose funding.

Social financing

Raising finance for clients including supranational, national and regional development institutions was a key driver of the $32.4bn$^{\Delta}$ of social financing facilitated in 2023 (2022: $30.0bn). In 2023, we continued to see issuers aligning their financing commitments to social use of proceeds bonds which allocate funds to categories such as access to healthcare, affordable housing and essential services. As in 2022, we have also seen the use of social KPIs within sustainability-linked financing such as targets linked to gender diversity.

Environmental financing

In 2023, we facilitated $24.1bn$^{\Delta}$ of environmental financing (2022: $21.7bn). This performance reflected continued demand from our clients and our strategy to work with them to help facilitate their transitions to a low-carbon economy.

Sustainability-linked financing

Sustainability-linked bonds (SLBs) and sustainability-linked loans (SLLs) are forward-looking, performance-based debt instruments issued with specific sustainability performance targets. Our sustainability-linked financing totalled $10.9bn$^{\Delta}$ in 2023 (2022: $13.7bn). The sustainability-linked market continues to be of importance to both investors and issuers alike who use these instruments to embed their sustainability targets into financing commitments and we look forward to continuing to work with our clients to innovate the product set.

Note

Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Transition financing

In 2023, we facilitated \$0.4bn[Δ] of transition financing under our new Transition Finance Framework. While new technologies are still emerging, we are identifying opportunities to finance decarbonisation pathways across high-emitting sectors, including energy, power, chemicals, and metals. We are looking to play a role in supporting a range of carbon and emission reduction projects – from the manufacturing of blue hydrogen and related infrastructure for end-use sectors with limited decarbonisation alternatives, to the electrification of compressor units, resulting in the elimination of natural gas use, as well as the adoption of low-carbon technologies, As emerging technologies scale and continue to develop, we are committed to leveraging our expertise to further identify opportunities for transition financing.

For further details on our Sustainable Finance Framework and Transition Finance Framework see page 104.

Facilitating £100bn of green financing

Since 2018 we have facilitated a total of £113.7bn[Δ] green financing – exceeding our target of £100bn well ahead of the 2030 target date.

In 2023 we facilitated £25.9bn[Δ] (2022: £25.5bn), comprising:

- Labelled use of proceeds and general purpose financing in environmental categories of £19.8bn[Δ] (2022: £18.0bn)
- Sustainability-linked financing that incorporates environmental performance targets of £6.2bn[Δ] (2022:£7.5bn).

Breaking down our green financing by product type, the largest category in 2023 was bond issuance – accounting for 63% of the total (2022: 61%). Loans and equity made up 30% (2022: 33%) and 6% (2022: 4%) respectively.

Notes

1 Bond issuance includes Bonds (DCM), CMBS, Securitization, Munis and PCM Debt.

Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Sustainable Impact Capital portfolio: Mandate to invest up to £500m into global climate technology start-ups

We firmly believe that innovation is key to tackling climate change and we are committed to supporting transformative change by investing our own capital in entrepreneurial companies. In 2020 Barclays announced that it would invest up to £175m equity capital in environmentally focused climate technology companies by 2025 – helping support our clients to transition towards a low-carbon economy, scale solutions to environmental challenges, and fill their growth-stage funding gaps.

In evidence of the success of the investments, in December 2022 we announced an increase of the investment mandate to invest up to £500m by the end of 2027.

To date we have invested £138m into 21 innovative companies. These investments have supported many aspects of climate tech innovation, from property retrofit solutions to long-duration energy storage and hydrogen technologies.

We continue to drive wider commercial and strategic opportunities for Barclays UK, Corporate Banking and Investment Banking with those companies.

We continue to focus on decarbonisation technologies supporting transition within carbon-intensive sectors, particularly where Barclays has meaningful client exposure – such as Power, Industry, Transport, Agriculture and Real Estate – including solutions delivering carbon capture, carbon dioxide removal and green hydrogen.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

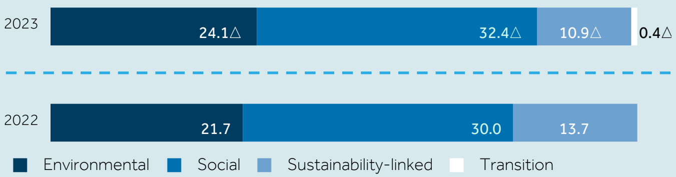
Sustainable finance dashboard

$1trn Sustainable and Transition Financing facilitated (2023-2030)*

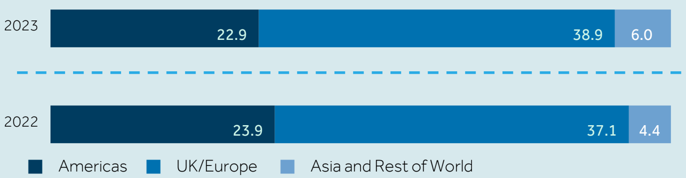
Achieved to date

$67.8bn△

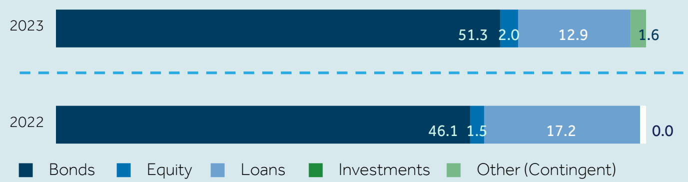
Annual breakdown by category
($bn)



Annual breakdown by region
($bn)



Annual breakdown by product
($bn)

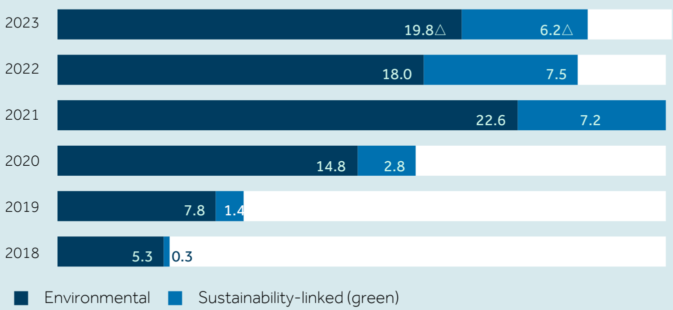


£100bn green financing facilitated (2018-2030)

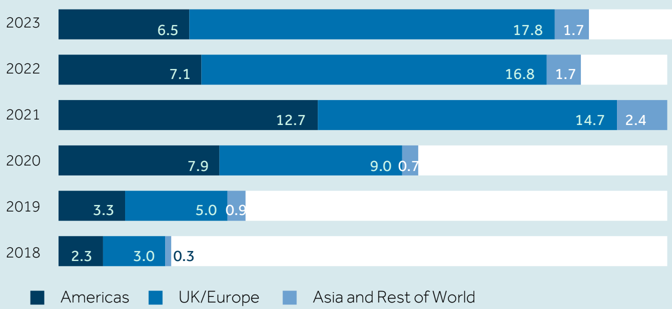
Achieved to date

£113.7bn△

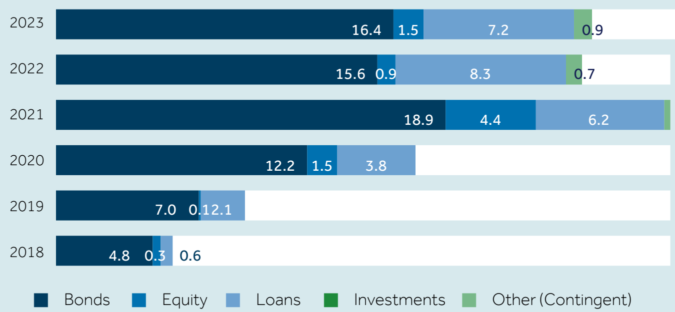
Breakdown by year
(£bn)



Breakdown by region
(£bn)



Breakdown by product
(£bn)



Notes
△ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub
* FY 2022 financing figures are provided only to facilitate comparison and do not count towards the target. FY 2022 numbers are converted based on year-end FX closing (spot) rate.

For further details:
home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Further details of the data provided, including further granularity of decimal points can be found in the ESG Data Centre located within the ESG Resource Hub at
home.barclays/sustainability.esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD *The secret object #1 is a "clock".*

Barclays' Sustainable and Transition Finance Frameworks

Sustainable Finance Framework

We seek to be transparent about our approach to reporting against our sustainable finance targets. Our sustainable financing is tracked using the methodology set out in the Barclays Sustainable Finance Framework (SFF). This framework defines the criteria we use for social financing, sustainable financing, green financing and sustainability-linked financing. This includes 'dedicated purpose' green and social financing, 'general purpose' financing based on eligible company business mix and sustainability-linked financing, and sets out applicable criteria drawing on industry guidelines and principles.

It should be noted that the methodology is reliant on a range of data sources including Dealogic and Bloomberg transaction listings and league tables, as well as other third-party data and verification sources including company disclosures to aid the classification of financing into eligible green and social categories.

We recognise that the quality, consistency and comparability of the data relied upon is not yet of the same standard as more traditional financial metrics and presents an inherent limitation to the performance reported. We will continue to review available data sources and enhance our methodology and processes to improve the robustness of the performance disclosed.

The legal and regulatory landscape relating to sustainable financing – including the naming and categorisation of products as 'green', 'social', 'sustainability-linked' and otherwise – is rapidly evolving with differing regulations across jurisdictions. We may wish to revisit our approach in that context in the future.

There is currently no globally accepted framework or definition (legal, regulatory or otherwise) governing what constitutes 'ESG', 'green', 'sustainable', or similarly labelled products – nor is there unanimous agreement on what attributes a particular investment, product or asset should have to be labelled as such.

Furthermore, no assurance can be given that a globally accepted definition or consensus will develop over time. We will continue to monitor and comply with applicable jurisdictional regulatory taxonomy definitions and product labelling obligations as they emerge.

As innovation in sustainable finance continues to accelerate, we will continue to review and update our SFF, our measurement of our performance against targets, and keep our general approach under review.

We have updated our SFF to version 4.1, published in February 2024, which will apply to financing volumes from January 2024 tracked against our target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030.

+ **Barclays' Sustainable Finance Framework can be found online in our ESG Resource Hub at:** home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Transition Finance Framework

Our transition financing is tracked using the methodology set out in the Barclays Transition Finance Framework (TFF).

Barclays has developed and published in February 2024 the first version of the TFF for classifying financing as 'transition' for the purpose of tracking and disclosing our performance against our target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030.

The inclusion of transition financing in this target reflects our recognition of the importance of lending, facilitating funding and investing in technologies and activities that support GHG emissions reduction, directly or indirectly, in high-emitting and hard-to-abate sectors.

The TFF is complementary to our Sustainable Finance Framework, The TFF augments the scope of Barclays' SFF and determines the eligibility of transition activities that sit outside the sustainable finance already covered by the SFF.

As there is no universal consensus as to how to define 'transition' activities, Barclays has developed its own definition of transition finance as follows:

Our definition of transition finance

Transition finance is any financing including lending, capital markets and other financing solutions provided to clients for activities – including technologies – that support GHG emissions reduction directly or indirectly in high-emitting and hard-to-abate sectors towards a 1.5°C pathway.

The TFF outlines the criteria for eligible transactions with a set of defined principles to guide us in the application of our definition of transition finance as we support high-emitting clients and finance real economy decarbonisation.

As innovation and market principles in relation to transition finance continue to accelerate and evolve, we will continue to consider and develop our definition of transition finance and the coverage under the TFF.

+ **Barclays' Transition Finance Framework can be found online in our ESG Resource Hub at:** home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Financing nature

As we execute our sustainable finance strategy, we aim to identify opportunities to play a role in supporting the financing of nature – in particular by bringing together our combined retail, corporate and investment banking activities. In 2023 we identified the opportunity for Barclays to contribute to the goal of a nature-positive food system as one of three strategic themes during the development of our Group sustainable finance strategy. Although our financing activities in relation to nature may still be relatively nascent, we are aiming to expand on these and have provided some examples of progress made and initiatives developed in 2023 below.

In Barclays UK we believe nature is a key area where we can make an impact, due to our prominent role in financing UK agriculture and agricultural land purchases. During the past year we have lent funds to customers to purchase land for deployment under the Biodiversity Net Gain scheme, and supported a leading wilding estate in commercialising its activities as it prepares for future sales from nature-positive outcomes. We also support farmers who seek to apply more sustainable farming practices, and have been actively investigating how we can support farmers to safely access private nature markets. Finally, Barclays Eagle Labs is supporting a Venture Launchpad cohort run by Carbon13 – focused on Land, Food and Nature.

We are supporting environmentally focused start-ups through our Sustainable Impact Capital (SIC) portfolio, led by Barclays' Principal Investments team – which has a mandate to invest up to £500m by the end of 2027 in the equity of these companies, which target the goals and timelines of the Paris Agreement.

We are also actively developing nature-related products and solutions to support our clients in the Corporate and Investment Bank. In 2023 we strengthened our coverage of Agriculture and AgTech companies through a senior hire in our Sustainable and Impact Banking team.

We are also exploring other innovative financial structures that can redirect financing at scale towards nature, such as debt for nature swaps.

In addition to client offerings, we have also identified the need to build institutional capacity to enable us and the broader industry to tackle the technical challenges involved in scaling financing towards nature-based solutions.

The full Financing Coastal Nature-based solutions document can be found at this link a.storyblok.com/f/109506/x/6298e4ed77/2023-11-22_fstf-financing-coastal-nbs-report_final.pdf
Further details on the SMI can be found on page 127.

Supporting soil through technology investment

Regenerative agricultural practices have significant potential to support climate change mitigation and enhance the resilience of food value chains through improved soil health. Accurate measurement of soil carbon is a factor constraining the growth of regenerative practices in UK agriculture, where Barclays has a strong presence.

The market for scalable, high-accuracy soil carbon measurement is nascent, with several early-stage companies pioneering new technologies.

In 2023 SIC invested in Agricarbon, a UK-based company that has developed market-leading soil carbon measurement technology, to support the growth of regenerative agricultural practices.

Agricarbon's end-to-end measurement process – which involves automating lab-based processes, including elemental analysis – addresses the gap in the market for scalable, high-accuracy soil carbon measurement.

Agricarbon has grown rapidly since its commercial launch in 2021, and the company already serves an international client base including some of the world's largest food and beverage companies, carbon project developers, and natural capital asset managers. With the proceeds from the fundraising, Agricarbon is seeking to accelerate its international expansion.

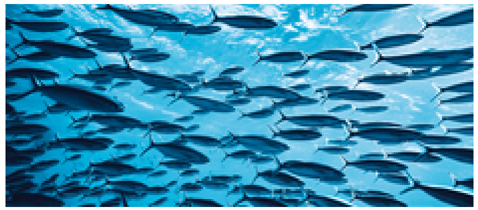
Financing coastal nature-based solutions document

The Sustainable Markets Initiative (SMI) Financial Services Task Force (FSTF) is a group of CEO-level executives from some of the world's largest banks. It brings together financial services leaders to develop and enable solutions that aim to help facilitate the transition to sustainable markets and support the rapid decarbonisation required across the real economy.

Barclays is a member of the FSTF and this year, alongside HSBC and with support from Pollination, developed the Financing Coastal Nature-based Solutions (NbS) document.

The document serves as a practitioner's guide to building awareness and addressing key potential considerations for embedding coastal NbS in financial structuring.

The guide identifies key considerations for financing coastal NbS projects in terms of commercial viability, risk mitigation and impact reporting through practical case studies, including a carbon credit project and debt conversion structures. The guide was produced as a foundational resource for building institutional capacity to understand coastal NbS within the context of the financial services industry. We expect the points raised in the guide, which includes the role of different asset classes in shifting capital towards coastal NbS, to evolve, incorporating the latest trends in coastal NbS financing.



Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

How our sustainable financing supports the Sustainable Development Goals (SDGs)

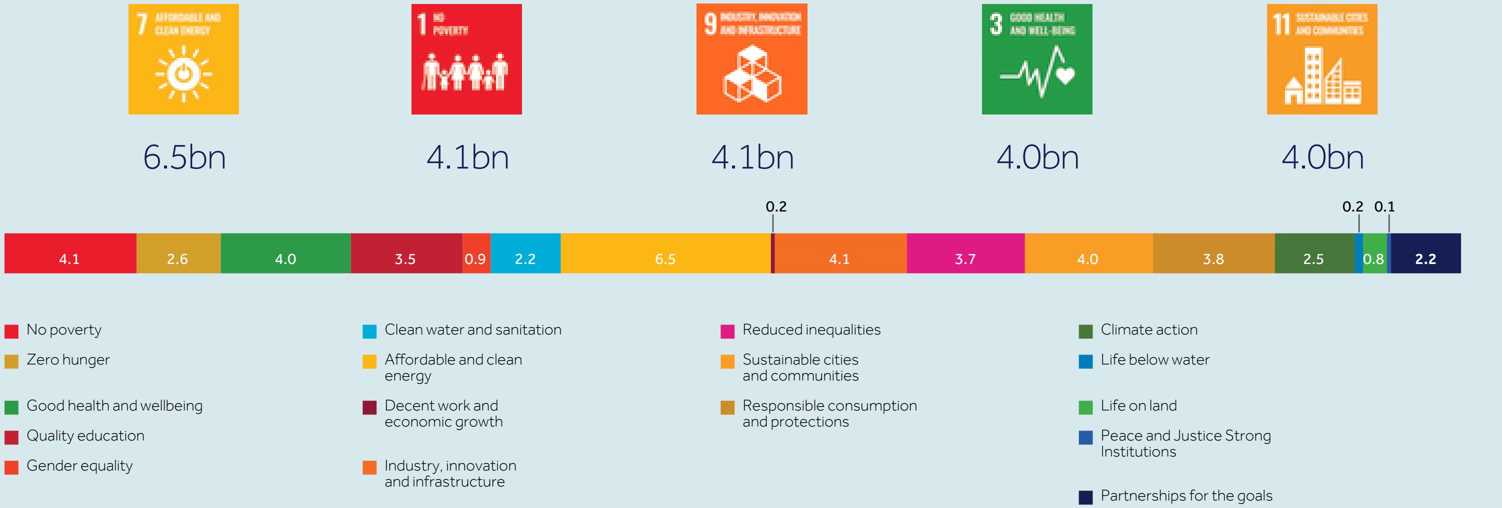
The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet – now and into the future. At its heart are the 17 SDGs, which are a call for action by all countries – developed and developing – in a global partnership. Barclays is pleased to play its part, working in partnership with our stakeholders to support the delivery of the SDGs.

Since 2018 we have tracked our annual contribution to the SDGs through our financing activities. An illustrative breakdown of how our social and environmental financing contributes to the SDGs is provided in the chart opposite.

Our financing covers a range of activities including debt and equity capital markets, corporate lending, trade finance and consumer lending. It helps to generate positive social and environmental outcomes through financing of activities such as, but not limited to, energy efficiency, renewable energy, affordable housing, basic infrastructure and services. Financing of activities set out in our SFF in turn supports progress towards achieving the SDGs.

For a full list of eligible social and environmental activities see the SFF, which shows how eligible social and environmental activities contribute to individual SDGs – supported through an analysis of the underlying SDG targets. As we evolve our understanding of how our financing contributes to the SDGs, we will refine our methodology accordingly.

SDG illustrative breakdown of 2023 social and environmental financing



Note: Includes 2023 social and environmental financing and excludes sustainability-linked financing.

Beyond our financing activities, our community programmes contribute to Goal 8: decent work and economic growth.

We also contribute to the SDGs through our work implementing the UN Principles for Responsible Banking (PRB), and continue to analyse the potential positive and negative impacts of our business through these principles. Barclays has set targets in line with some of our significant impact areas to drive alignment with the goals and timelines of the Paris Agreement and to contribute to the SDGs.

For further details, our PRB disclosure can be found online in our ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Working with our clients

We want to be by our clients' side as they transition their businesses to operate in a low-carbon economy. We are working on expanding our sustainable finance offering through our specialist teams to help clients navigate this period of extraordinary change.

Engaging clients through business and events

We believe the transition to a low-carbon economy is a defining opportunity for innovation and growth – and that we can make the greatest difference by supporting and engaging with our clients as they transition, using our advisory and financial expertise to help them navigate this period of extraordinary change.

As trusted advisers we continue to proactively engage with our clients on the risks and opportunities for their businesses arising from the transition to a low-carbon economy. This includes working with climate technology companies across their stages of development, and with larger, established and/or higher-intensity clients on their transition journeys.

We support clients executing their climate strategies, including supporting the facilitation of initial public offerings for climate-focused growth companies, acquisitions of emerging climate technology start-ups to diversify incumbent clients' business models, and financing to mobilise the decarbonisation of operational activities.

By way of example of the extent of our engagement, over the course of 2023 we had over 17,500 (2022: 15,000) engagements with clients within the Corporate Bank on ESG topics, thanks to focused efforts by relationship teams to raise ESG topics proactively.

We also held numerous client events on ESG and sustainability topics, including our inaugural flagship Sustainable Finance Conference in New York with an attendance of over 400 people.

Engaging clients through our Client Transition Framework

The CTF, as outlined on page 90, supports us to direct our engagement efforts towards clients that are most exposed to the risk of failing to transition in line with the sectoral pathways reflected in our targets.

This is informed by the outcomes of CTF assessments, allowing us to be targeted in our engagement efforts and provide clients with clear communication on our expectations for transition planning. It also helps inform our advice on how clients best take advantage of transition finance opportunities.

+ **Further details on our Client Transition Framework on** page 90.

Engaging clients through research

We provide thought leadership to support our clients using our in-house ESG Research capability. Clients who have access to our research publications tell us it prompts greater evaluation of their business needs – and we have seen a number of instances of this leading to broader conversations about the transition to a low-carbon economy, the ways investors can support the transition, and the ways Barclays is on hand to support. In 2023 we published over 475 ESG-focused research reports.

Products and services

We support a wide range of customers and clients – from individuals and small businesses through our consumer and business banking services, to mid-sized and larger businesses and institutions, including governments, through our corporate and investment banking services.

Barclays' position in the market, offering retail, corporate and investment banking services, provides us the opportunity to deliver an end-to-end proposition – offering innovative products and solutions to meet our clients' needs using the power of One Barclays. Through collaboration with our colleagues across businesses, we have built capabilities to help support the innovation needed to make the transition a success. For example, through our climate-technology escalator we provide support for scaling early-stage companies through tailored, specialist support at each stage of their development from idea to IPO.

This helps to ensure these companies can access capital as they grow, for example through our Sustainable Impact Capital mandate and network of accelerators, our corporate bank and via the capital markets.

During 2023, reflecting on engagement with and feedback from our clients, we continued to build the expertise and knowledge that clients are looking for as they scale their businesses and transition to a low-carbon economy. This included:

- Continuing to strengthen our dedicated teams, capabilities and propositions supporting businesses developing and scaling the technologies that will help the world reduce emissions
- Providing the finance to scale-up the infrastructure and capacity to deliver the renewable energy the world requires
- Enhancing our teams through specialist hires in areas including sustainable project finance, ESG ratings advisory and carbon trading, as well as tailored sector training focused on decarbonisation pathways.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Products and services offered across our client base

Consumer | Small and growth stage | Mid-size corporates | Large corporates and governments | Investors

Entrepreneur and Innovation programmes

Barclays is working to champion innovation and enable sustainable growth – bringing new ideas to life is central to the way we support people, businesses, communities and the wider economy.

Barclays UK Consumer and Business Banking

Engaging with our retail customers and businesses to develop sustainability-related solutions that meet the needs of our customers and clients.

Barclays UK Consumer Sustainability Hub Engages consumers through our online Consumer Sustainability Hub to provide information on financial products, services and partner offers that may support them in making more sustainable choices.

Green Home and Buy-to-let Mortgages
Mortgage offering lower interest rates for new-build properties with an EPC rating of A or B.

Greener Home Reward
Cash reward of up to £2,000 for eligible residential mortgage customers who install eligible energy-efficiency-related measures in their homes.

Green Asset Finance
Fixed rate on range of eligible green assets, supporting clients to transition their business towards net zero.

Green Barclayloan for Business
No arrangement fees on a range of eligible green assets, supporting clients to transition their business towards net zero.

Private Bank and Wealth Management

Responsible investing and sustainable investing solutions
ESG integration and dedicated sustainable investment strategies. Barclays WM&I now offers most Global Access Funds as Article 8 products in a bid to promote sustainability as part of SFDR.

Corporate and Investment Bank

Blending the existing expertise and relationships in our coverage groups with new, specialised teams focused on sustainable finance growth areas – providing enhanced and integrated solutions for our clients.

Energy Transition Group Provides clients with integrated strategic advice and financing solutions through the energy value chain as they transition to a low-carbon economy. The Group supports companies in their energy transition through the adoption and implementation of renewables, biofuels, carbon capture, hydrogen energy, renewable natural gas, sustainable aviation fuel, batteries and solar technologies.

Sustainable Banking Group
Provides a tailored approach to sustainability coverage, advice and execution across M&A, risk management, equity and debt.

Sustainable Project Finance Group
Provides project financing solutions for clients aiming to decarbonise their businesses, accelerate the deployment of low-carbon technologies and monetise the associated revenue.

Sustainable Product Group
Provides origination and structuring of green and sustainability-linked corporate banking products across lending, trade finance and liquidity products.

Global Markets
Provides ESG integration across a wide range of investment solutions, spanning Quantitative Investment Strategies (QIS), Equity or Credit Structured Solutions and Funds.

Green & Social Notes programme
Issuance of green notes to fund assets efficiently.

Treasury Green Programmes

Managing financial sustainability and advancing climate strategy through executing principal transactions.

Sustainable Impact Capital
Investing up to £500m into global climate technology companies by the end of 2027, helping accelerate our clients' transition to a low-carbon economy.

Green Bond Investment portfolio
Purchase of green bonds through Barclays' liquidity pool.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Entrepreneur and innovation programmes

Through the Group Innovation Office, Barclays works to collaborate with innovative start-ups – bringing new ideas to life and enabling sustainable growth, supporting individuals, businesses, communities, and the wider economy. Barclays' open financial technology (fintech) innovation strategy is focused on sourcing ideas, technology and talent outside the Bank and supporting its adoption and dissemination within Barclays.

Addressing climate change and the transition to net zero is a complex challenge. It will require innovation to drive real-world decarbonisation.

The Group Innovation Office works to leverage its innovation capability and wider programmes of fintech initiatives to support the delivery of the Barclays Climate Strategy – and to contribute to the growth of Climate FinTech as a sub-sector of fintech under Rise, created by Barclays. The Group Innovation Office believes Climate FinTech has the potential to make the transition to a low-carbon future simpler, easier to implement and more affordable.

Strategic initiatives

Initiative	Goal
Rise Start-Up Academy	250 founders supported by the end of 2025
Rise Growth Academy	50 fintechs supported by the end of 2025
Experimentation Hub	30 rapid vendor evaluations by 2025
Eagle Labs *	Provide up to 1,500 mentorship hours, 17 Growth Programmes and one Ecosystem Partnership Programme in 2024
Unreasonable Impact	Support an additional 200 businesses solving social and environmental challenges from 2023-27

Further details on Barclays' Innovation can be found at: home.barclays/who-we-are/innovation/

* Further details on Eagle Labs found on page 112.

Barclays Rise

Rise, Barclays' global fintech platform, seeks to create the ultimate conditions for innovation and growth in financial services, including Climate FinTech. Since 2015 Rise has focused on building a global community of the best minds in fintech to disrupt, challenge and confront the way things are done in our industry.

Spotlight: Nossa Data

Rise Resident and Barclays Accelerator Alumni Nossa Data is aiming to change ESG reporting and data management by providing technology for non-financial corporate disclosure. This female-founded Climate FinTech business is collectively supporting companies in measuring and improving their ESG performance in order to meet increasing regulatory requirements.

Barclays Rise Start-Up Academy

The Rise Start-Up Academy helps early-stage fintechs, supporting emerging founders with skills and tools to help them get from proposition to launch. The programme supports refining their minimum viable product (MVP) through weekly activities and live workshops. A Climate FinTech special edition of the Rise Start-Up Academy will launch in 2024 to support this growing category of fintech.

Our commitment to support 250 founders by the end of 2025, compared to our original target of 750, reflects the challenging economic and investment climate for start-ups, and also our intention to focus our support on companies that are more closely aligned to Barclays' strategic priorities, including climate and sustainability.

Barclays Rise Growth Academy

The Rise Growth Academy helps scale high-growth fintechs, including Climate FinTechs, and transition their founders into CEOs with a 10-week, digital-first curriculum with coaching, Managing Director/Director mentorship and access to a community. Participants may also be considered for a potential strategic investment.

Further details on Barclays Rise and its programmes can be found at: rise.barclays/

Climate FinTech

Climate FinTech is a category of fintech supporting climate change mitigation and adaptation, and can be used to align and strengthen incentives across all stakeholders. Pioneering Climate FinTech start-ups have the potential to help make low-carbon solutions easier to adopt for individuals and businesses.

Our 'Climate FinTech: An Innovation Thesis' will be published to showcase the role that Climate FinTech can play in tackling the challenges faced by consumers, businesses and industry – outlining the opportunity identified to support this sector to scale.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Spotlight: GreenArc

GreenArc, a participant of the Rise Growth Academy 2023, is an impact analytics fintech that uses advanced AI techniques to help financial institutions measure and maximise the social and environmental impact of their investments. Investors are demanding greater accountability and transparency to address the growing concerns over the validity of sustainable finance, an industry concerned with claims of greenwashing, and thus a robust, data-driven impact measurement system will help enable financial institutions to credibly assess and report the impact of their investments.

Barclays Experimentation Hub

The Barclays Experimentation Hub – a business and technology sandbox-as-a-service offering – enables business units across the globe to rapidly test and evaluate third-party vendor solutions, while also providing a platform to influence industry through collaborative events and hackathons. Since 2022 the Experimentation Hub has enabled Barclays to explore new technologies such as Generative AI, while also bringing together industry experts across topics such as digital currencies – exploring the application and business benefits of key innovations within technology and fintech. Experimentation has also supported Barclays teams in keeping pace with the rapidly changing landscape within ESG technologies and will continue to support Barclays' Climate Goals throughout 2024.

Unreasonable Impact

Through its Unreasonable Impact programme, a partnership between Barclays and Unreasonable Group which was renewed in 2023, Barclays has supported over 300 high-growth entrepreneurs that seek to address pressing social and environmental challenges by connecting them with a network of mentors and industry specialists, including experts from across Barclays. Through regional accelerators, at which the entrepreneurs can engage with this network, and other virtual and in-person events, the Unreasonable Impact programme is designed to help participating entrepreneurs to build strategic relationships and quickly solve key challenges facing their business in order to help them scale.

After achieving its goal to support 250 ventures by the end of 2022, Barclays will support an additional 200 entrepreneurs over five years through the Unreasonable Impact programme.

With billions in financing already raised by the companies that have participated in the programme, the partnership's momentum continues to grow – and the ventures are driving innovations in a variety of industries from food and agriculture to energy and manufacturing.

Barclays has also invested its own capital into eight Unreasonable Impact companies through its Sustainable Impact Capital[1] mandate, including Airex – creators of a smart air brick – and Brill Power, which has developed battery management technology that aims to extend battery life and throughput.

Note:
1 Further details on Sustainable Impact Capital found on page 117.

Further details on Unreasonable Impact can be found at:
home.barclays/sustainability/supporting-our-communities/unreasonable-impact/

Partnering with SaveMoneyCutCarbon

SaveMoneyCutCarbon (SMCC) is an organisation focused on simplifying energy, water and carbon reduction. It seeks to save businesses time and money and help them achieve their sustainability goals by providing a range of services. Alongside the installation of products, these services include providing advice and education as well as performing building audits to help uncover savings opportunities and developing project plans to help businesses realise these savings.

Barclays is helping companies like SMCC to scale through its Unreasonable Impact partnership – and by investing equity capital in SMCC through the Barclays Sustainable Impact Capital mandate. In addition, Barclays Corporate Banking clients can utilise SMCC's services to help them pivot their own operations to more sustainable practices.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Barclays UK Consumer and Business Banking

We are engaging with our retail and business customers to better understand the steps they want to take to become more sustainable – and the role finance can play. We are using this insight-led approach to design and develop sustainability-related products, offers and initiatives that meet the needs of our customers.

Throughout 2023 we have used new digital journeys in-app and online banking to support an additional 1.9 million customers to become paperless and reduce their paper waste by eight million envelopes. In 2024 we will continue our work to encourage further adoption of paperless banking and digitisation of communications, further reducing paper volumes.

In 2023 we made a number of important hires to build our sustainability leadership team in Barclays UK. These colleagues will help drive our client propositions and position us well to drive the strategy in 2024. We continue to upskill and engage colleagues on sustainability issues to build our capability, encouraging colleagues to integrate sustainability considerations into their work supporting customers. This includes tailored training for our Consumer Bank and Business Bank colleagues, introducing our Sustainability Champions community to bring together our most engaged colleagues and launching our online Colleague Sustainability Hub to share educational sustainability-related content.

Consumer Bank

Barclays UK Consumer Sustainability Hub

Barclays UK engages consumers through our online Consumer Sustainability Hub, which provides information on financial products, services and partner offers that may support them in making more sustainable choices. In 2023 we began adding links to the Consumer Sustainability Hub in the Barclays app to further support customer engagement on this topic. We plan to create a dedicated in-app Sustainability Hub to host educational sustainability-related content, products and offers.

+ **Further details on the consumer-facing Sustainability Hub can be found at:** barclays.co.uk/sustainability/

Greener home propositions

Barclays UK is supporting retail mortgage customers' transition to a more sustainable way of living, providing products and propositions focused on retrofitting. In 2023 we rolled out training on home energy efficiency and climate risk to our mortgage advisors, and hosted a webinar for mortgage brokers with retrofitting industry experts.

In collaboration with British Gas, we launched an offer of 50% off the purchase of a Hive Thermostat Mini for eligible residential mortgage customers.

+ **Further details on Barclays Hive Thermostat Mini offer can be found at:** barclays.co.uk/sustainability/greener-homes/hive-thermostat-mini/terms-and-conditions/

We continue to support customers purchasing EPC A- and B-rated new-build homes with our Green Home Mortgage, following its expansion to include buy-to-let properties in 2022. In 2023 we lent £845m to Green Home Mortgage customers. Since inception in 2018, Barclays UK has lent over £3.5bn to Green Home Mortgage customers.

Green Home Mortgage completions

Number of completions

Value of completions (£m)

+ **Further details on Barclays Green Home Mortgages can be found at:** barclays.co.uk/mortgages/green-home-mortgage/

Further details on Barclays Green Buy-To-Let Mortgages can be found at: barclays.co.uk/mortgages/green-buy-to-let-mortgage/

Exploring home energy efficiency with British Gas

In partnership with British Gas, we ran an energy efficiency exhibition in the Plymouth city centre branch to help local customers explore ways they could make their homes more energy efficient. The 'Exploring Home Energy Efficiency Exhibition' ran for six weeks between October 2023 and December 2023, showcasing some of the technology that could help customers improve the energy efficiency of their home and potentially help lower their bills. Each week focused on a different energy efficiency theme, including low-carbon technology, retrofitting and the financial support available to households. Customers were able to learn and engage through weekly interactive sessions and Q&A panels made up of speakers from British Gas, Barclays and others. To coincide with National Green Careers Week in November, Plymouth City Council ran a series of carbon literacy events for career changers, job seekers and schools in the branch – and customers had the opportunity to take part in a 'green careers fair' to understand what a net zero career could look like for them.

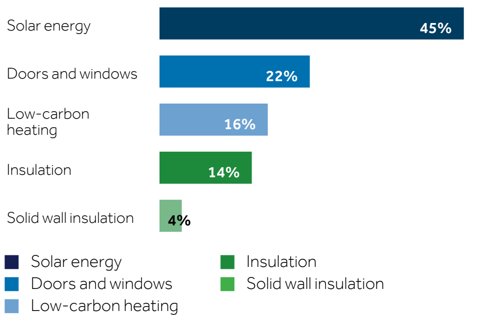
Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Barclays UK Greener Home Reward

In 2023 we extended registrations for the Greener Home Reward scheme, which offers a cash reward of up to £2,000 for eligible residential mortgage customers who install eligible energy-efficiency-related measures in their homes using a registered TrustMark installer. We have seen continuing interest in microgeneration, with 45% of applications so far for solar panels and solar battery storage. However, demand for the offer remains limited. This exemplifies the challenges the sector faces to increase the take up of retrofitting.

Retrofit types at registration



Further details on Barclays Greener Home Reward can be found at: barclays.co.uk/mortgages/greener-home-reward/

Barclays UK is also committed to working collaboratively with the UK Government to encourage and inform the development of strategies and policies to drive more energy-efficient homes and retrofitting – including through industry groups where appropriate, and through our own engagement with policymakers.

Customer retrofitting research and parliamentary roundtable

Retrofitting homes with the aim of reducing carbon emissions in line with UK net zero targets is a challenge Barclays believes requires a collaborative response. In September 2023 we convened a roundtable in Parliament with representatives from UK Government, consumer groups, industry and academia to discuss a Barclays-commissioned report from Ipsos UK on consumer retrofitting behaviour. The report identified potential barriers to action among 'able to pay' homeowners who could potentially undertake retrofitting to increase the energy efficiency of their property. The report made a series of recommendations to improve uptake of retrofitting due to limited levels of this activity currently. There was agreement among roundtable representatives that there is a significant awareness gap that could be addressed by promoting the benefits of retrofitting and improving access to practical guidance. However, there were a range of views on how to share the burden of responsibility for these actions – with a number of attendees, including Barclays, underlining the important role for bolder UK Government leadership and policy to drive behaviour change.

Business Bank

Barclays continues to support Business Bank clients to understand the case for sustainability, recognising that clients are at varying stages of their transition to net zero.

Embedding sustainability across the Business Bank

We continue to build our net zero expertise to give eligible businesses that bank with us the chance to explore the options available to them as part of transition plans towards net zero. In 2023 we provided sustainability training for Business Bank colleagues, including Real Estate, Agriculture and Specialist Client Solutions teams.

For clients that prefer to self-serve, we created a series of educational videos to raise awareness of themes relating to the transition to a low-carbon economy.

In 2023 we launched an EPC dashboard to enable Real Estate Relationship Managers to provide a view of EPC ratings across a clients' portfolio with Barclays UK – and use it to discuss potential benefits around EPC improvements.

In July 2023 we expanded our existing Asset Finance proposition via our partner Propel to offer fixed rates on a wider range of green assets including new fully electric vehicles, solar photovoltaic panels, battery storage units, LED lighting, heat pumps and electric vehicle charging points. In September 2023 we launched our Green Barclayloan for Business, which offers no arrangement fees for lending above £25,000 on a range of eligible green assets – supporting our business clients in their transition to net zero.

External engagement

In 2023 we joined the Broadway Initiative and sit on the advisory board for the UK Business Climate Hub, which will help facilitate net zero support for our clients.

To recognise the positive impact of ESG-focused entrepreneurs on the wider economy, the 'Sustainability Award' category for the Barclays Entrepreneur Awards was awarded for the second time in 2023 – attracting over 100 applications.

Barclays Eagle Labs

Barclays Eagle Labs look to help incubate, inspire and educate UK founders, start-ups and scale-ups and help them to succeed and grow. Its growing network already supports businesses through 37 physical sites, as well as virtually across the UK.

13,812[1]

Total businesses supported by Eagle Labs through propositions, programmes, and businesses engaged with the ecosystem since 2015

Further details on Barclays Eagle Labs can be found at: labs.uk.barclays

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Eagle Labs climate tech

Eagle Labs is building a community of climate tech startups working on disruptive technology to deliver a more sustainable future.

In October 2023 the Cambridge Eagle Lab was relaunched as a centre for climate tech start-ups and scale-ups. The lab has been retrofitted to improve energy efficiency in line with Barclays' net zero ambition – including hybrid solar technology generating both electricity and heat provided by Naked Energy, a company supported through our Unreasonable Impact programme and Barclays' Sustainable Impact Capital.

+ **Further details on our Unreasonable Impact programme can be found here** home.barclays/sustainability/supporting-our-communities/unreasonable-impact/
Further details on our Sustainable Impact Capital programme can be found here home.barclays/sustainability/addressing-climate-change/financing-the-transition/sustainable-impact-capital/

Digital Growth Grant

In 2022 Barclays Eagle Labs was awarded a c. £12m Digital Growth Grant by the UK Government, to support technology businesses across the UK. Over a two-year period, commencing from April 2023, the grant will amplify Barclays Eagle Labs' overall ambition to support the growth of up to 22,000 UK tech start-ups and scale-ups. Since April's launch, Barclays Eagle Labs have opened applications for 12 dedicated growth programmes – including the Black Venture Growth Programme, the Female Founder Accelerator and the Sustainability Bridge.

849[2]
Total businesses supported through Digital Growth Grant Programmes as of December 2023

Carbon13 Venture Launchpad in partnership with Barclays Eagle Labs

Carbon13 is a Cambridge-based, globally focused venture builder. Eagle Labs have partnered with Carbon13 to develop a Venture Launchpad to help pre-seed and early-stage businesses launch high-potential and global-impact climate tech ventures. The first Carbon13 Venture Launchpad programme brought together 22 companies focused on innovation in the built environment. From April 2023 to October 2023, founders were supported to help set each of their businesses on a trajectory to mitigate 10 million tonnes of CO_2e at scale. Seven programme participants each received funding of £120,000 from Carbon13 – including digital twins for building performance optimisation and new systems for transporting chilled goods.

Advancing Net Zero in the built environment with Sustainability Bridge

Through our Sustainability Bridge programme, we are bringing together 29 startups and nine corporates to support the transition to net zero in the built environment – with a specific focus on retrofit and energy efficiency. Corporates on the programme range from national energy companies to social housing providers. Start-ups in the cohort are driving cutting edge innovation, ranging from drone thermal imaging as an EPC alternative to climate data aggregators and companies who believe the buildings of the future will be grown, not built. The programme is being delivered by CodeBase, in partnership with Barclays Eagle Labs, and is funded by the UK Government through the Digital Growth Grant.

Notes
1 Covering all businesses supported by Eagle Labs through propositions, programmes, and ESE since 2015 (as of December 2023).
2 Sum of cohort sizes of the programme that have closed for applications (as of December 2023).

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Corporate and Investment Bank

How we serve our clients

We continue to evolve our model to support our clients and capture the opportunities as they transition to a low-carbon economy.

Following the appointment of the Global Head of Sustainable Finance in November 2022, in early 2023 we established the CIB Sustainable Finance Management Team (CIB SF MT) with responsibility for driving the sustainable finance strategy in the CIB. The CIB SF MT acts as a consolidation point for the discussion and decision-making of key matters relating to the strategic direction of the CIB sustainable finance business, reviews financial performance and ensures a robust approach to climate risk management and controls.

At Barclays we use the concept of the Power of One Barclays, which brings our organisation closer together to create synergies and provide customers and clients with the full range of our products and services. We have applied this mindset to consider how we can best serve our clients' needs relating to Sustainable and Transition Financing through an integrated approach across Barclays' products and services. This has included the strengthening of our sustainable finance teams, working together to deliver for our clients and embedding sustainability across our sector and industry coverage teams.

Strengthening our sustainable finance teams

Through the continued investment in our team we are able to deliver a fuller suite of products, solutions and expertise to clients as they transition towards a low-carbon economy.

During 2023 we invested significantly in our sustainable finance capabilities through key senior and specialist hires which have strengthened our existing teams and expanded our sustainable finance product offering. This included hiring new Heads of Sustainable Project Finance and Carbon & Environmental Products Trading, facilitating the expansion of our product reach into these areas in recognition of client demand and the commercial opportunity.

We have also continued to strengthen our existing sustainable finance teams with the hiring of senior specialists including across ESG ratings advisory, AgriTech and battery technologies, and regionally focused sustainable finance specialists covering the Middle East, North Africa and Asia Pacific.

Following growth in the team over the past few years, at the end of 2023 we had in excess of 90 sustainable finance-focused bankers in the CIB, supported by ongoing investment in expertise in our sustainable finance and ESG-focused functional teams.

Working together to deliver for our clients

We continue to facilitate collaboration across CIB teams in order to work more closely together on sustainable finance topics and solutions. In 2023 we created a Sustainable Finance Leadership Group bringing together key 'champions' of sustainable finance from across the CIB with a view to creating more frequent and deeper exchanges of ideas – which will help strengthen our dialogue with clients and drive better outcomes for them.

We believe that the strength of our franchise is truly unlocked when we work closely together across our teams. Examples of this included collaborations between our ESG advisory, industry coverage and Sustainable Impact Banking teams on M&A opportunities, as well as our industry teams bringing technical experts into client meetings to discuss decarbonisation options.

CIB Sustainable Finance ecosystem

Over the past year we continued to evaluate how sectors and companies are best covered by the Bank, and have adapted our model accordingly to provide the support and resources required by our clients. In January 2024 we announced the creation of our new Energy Transition Group – bringing together our Power, Energy and Sustainable Impact Banking (SIB) teams so we can better serve as lead advisers to clients in the Energy and Power sectors exploring potential energy transition opportunities.

We also announced the creation of our new Sustainable Banking Group within Capital Markets, combining our Sustainable Capital Markets and ESG Advisory team (previously part of the SIB team).

Embedding sustainability in our business

Over the course of 2023 we continued to embed sustainability across our sector and industry coverage teams through a number of important initiatives to upskill our bankers and develop their expertise to engage with clients on the transition.

We ran our first sector-level client activation programmes – focused on the Building Materials

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

and Power and Utility sectors – accelerating the ability of our bankers to identify and capture sustainable finance opportunities by helping them focus on key decarbonisation levers in these sectors and how to deploy Barclays' products and services to help clients unlock them.

We recognise the importance of continued training and upskilling of our workforce, particularly in the rapidly developing climate technologies of the future, and ran a series of seminars and workshops throughout the year covering these key topics. In the second half of 2023 we also developed a detailed sustainable finance training plan for colleagues across the CIB, which we will roll-out in 2024.

During 2023 we continued to develop our management information as it relates to our sustainable finance business, including appropriate KPIs and sustainable finance metrics on our bankers' scorecards, which are tracked monthly – increasing the visibility of our performance. We will continue to evolve our approach in this area in 2024.

As we see further growth in sustainable finance and the ESG market space the focus on controls remains imperative to enable our business to operate in a precise and scalable way. Dedicated ESG review and control fora are being stood up at the CIB and individual business level to provide oversight of greenwashing risks in the context of financing of clients in high emitting sectors. In addition, we have continued to strengthen our approach to climate risk governance within the CIB and review climate risk, financed emissions and transition finance metrics at appropriate fora and committees to provide financial and operational risk oversight.

Energy Transition Group

The newly formed Energy Transition Group provides clients with integrated strategic advice and financing solutions through the energy value chain as they transition to a lower-carbon future. The Energy Transition Group comprises specialist bankers drawn from the Bank's previous global Natural Resources and Power sector teams and Sustainable and Impact Investment Banking team. It aims to be a centre of excellence providing a broad spectrum of expertise regarding the energy transition – including hydrogen, energy transition finance, carbon capture, renewables and renewable natural gas.

Sustainable Banking Group

The newly formed Sustainable Banking Group supports the sustainability needs of our clients across all industries through a tailored approach to coverage, advice and execution across M&A, risk management, equity and debt.

The team will focus on covering the range of sponsors and investors with dedicated sustainability capital, advising clients on sustainability matters and offering a broad range of sustainable capital markets products – originating, structuring and executing sustainable-finance-labelled instruments including green, social, sustainable, transition and sustainability-linked solutions and vehicles.

Federal Republic of Germany: Green Bonds

Barclays acted as Joint Lead Manager on the Federal Republic of Germany's €5.25bn 10Y Green Bond The secret object #3 is a "bowl". in June 2023. These transactions are intended to supp carbon, resource-efficient and sustainable economy. The funds raised from the bonds will be allocated towards eligible green expenditures including all areas of the federal budget that support the overall climate and sustainability targets set out in the Federal Republic of Germany's Green Bond Framework. Furthermore, the eligible expenditures are mapped to the six environmental objectives of the EU taxonomy for environmentally sustainable economic activities. Barclays is pleased to support the German government in continuing its strategy of establishing a green yield curve for the euro area.

Sustainable Project Finance

In 2023 we established our Global Sustainable Project Finance team. The team provides project financing solutions for clients aiming to decarbonise their business, accelerate the development of low-carbon technologies and monetise the associated revenue opportunities. The team builds on our existing experience and expertise in project finance to offer integrated and innovative solutions for clients including tax equity, global debt arrangement and structuring, alongside strategic M&A, rates and capital markets expertise.

Sustainable Product Group

The Sustainable Product Group delivers a broad range of green and sustainability-linked corporate banking products. The Sustainable Product Group's offering includes green and sustainability-linked trade, corporate lending, fund-financing products and deposit solutions.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Ohmium International

In April 2023, Ohmium International, a leading green hydrogen company that designs, manufactures and deploys advanced proton exchange membrane electrolyzer systems using renewable energy to produce pressurised high-purity green hydrogen, partnered with teams across Barclays' Corporate and Investment Bank to help successfully close a $250m Series C growth equity financing round. Barclays served as Placement Agent to Ohmium on the capital raise. The funding will be used to support Ohmium's expansion to 2GW in annual manufacturing capacity and the deployment of projects for the company's growing global customer pipeline in key regions. The investment will also provide significant capital to scale Ohmium's business, including accelerating its pioneering research and development programmes to reduce the cost of green hydrogen production. At that time, this transaction was the fifth hydrogen deal in 13 months for Barclays' Sustainable and Impact Banking Group, now known as the Energy Transition Group, highlighting our deep sector knowledge across the entire hydrogen technology value chain and ecosystem.

Global Markets

Our Global Markets team provides ESG integration across a wide range of investment solutions spanning Quantitative Investment Strategies, Equity or Credit Structured Solutions and Funds. This includes our Green & Social Notes programme issuance of green notes against eligible assets, earmarked in line with our Green & Social Notes Framework. Global Markets also provides financing solutions such as clean tech securitisation and can embed sustainability-linked features into hedging solutions. Our Global Markets team also provides market access to ESG products and a range of Prime Services – including clearing carbon and ESG futures.

During 2023, Barclays continued to grow its financing business backed by assets that match its Sustainable Finance Framework and support the long-term green, transition and broader sustainable financing requirements of our clients, with a focus on securitised products in residential and solar, heat pumps and electric vehicles. Looking forward into 2024 we expect to expand into other sustainable and energy-efficient technologies and opportunities.

Barclays also grew its footprint in originating and distributing social and sustainability-linked loans, as well as structured financing with sustainable use of proceeds instruments

Green & Social Notes programme

The Barclays Bank PLC Green & Social Notes Programme covers Barclays-issued products in the Equities and Rates space, leveraging use-of-proceeds assets including renewable energy, low-carbon transport and energy-efficient real estate, in line with the requirements set out in our Green & Social Notes Framework. All green assets in the pool are verified by a third party and aligned to industry standards.

+ **Further details on our green notes programme can be found at:** home.barclays/greenbonds/

ESG across our research teams

Our approach to ESG research is differentiated through broad-based engagement with ESG issues and higher-quality insights with our investor clients. The ESG Research team collaborates with Equity and FICC research teams to identify and analyse material ESG opportunities and risks, and to integrate ESG into their analysis and recommendations. The team also analyses how investors measure and consider ESG factors in the investment process, helping asset managers structure their portfolios and investment decisions.

Over 475 ESG-focused research reports were published in 2023. Our expectation is that topics such as climate change, decarbonisation and biodiversity – as well as other sustainability themes and specific ESG attributes – will continue to grow in importance, and that the global momentum behind ESG investing will continue at pace, making it an essential requisite for a large and growing number of investors.

During 2023 ESG Research hosted and contributed content to client events around the world – including Barclays' first Sustainable Finance Conference in New York, its fourth annual ESG Research conference in London, its first Sustainable Finance Conference in Singapore, its Sustainable Policy Forum in Brussels and its ESG Emerging Market Corporate Day.

+ **Further details on ESG Research can be found at:** cib.barclays/research

Sustainable and Thematic Investing

The Sustainable and Thematic Investing Research team at Barclays focuses on sustainability and long-term thematic disruption. Its reports are produced in conjunction with sector analysts, with the aim of identifying multi-year sector trends that could help shape the future business environment. Typically the team identify topics with a five- to 10-year horizon, with investment opportunities spanning both public and private companies.

To aid thematic and ESG investors, the team maintains an investment framework known as the '2030 Thematic Roadmap: 150 Trends' – and has published reports on various trends relating to disruptive technology, sustainability and demographic change. The team has also developed a range of investment tools including trend momentum scores, UN SDG mapping and company revenue tagging.

Relevant 2023 publications include Advance Chemical Recycling, Grid Infrastructure, Digital Safety, Vehicle Grid Integration, Cultured Meat, Gender & Social Inclusion, Human Capital and VC Trends.

+ **Further details on the Sustainable and Thematic Investing Research team can be found at:** cib.barclays/our-insights

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Sustainable Impact Capital programme by Barclays Principal Investments

Barclays' Treasury plays a key role in helping Barclays meet its climate goals by allocating, managing and governing its financial resources effectively and executing sustainable principal investments and transactions, supporting businesses to advance strategic climate objectives in the transition towards a low-carbon economy.

Sustainable Impact Capital

Our Sustainable Impact Capital portfolio, managed by the Barclays Principal Investments team in Treasury, has a mandate to invest up to £500m into global climate technology companies by the end of 2027 – helping support our clients' transition towards a low-carbon economy.

Further examples of our green innovation financing can be found at: home.barclays/sustainability/our-position-on-climate-change/accelerating-the-transition/sustainable-impact-capital/

We aim to drive change by strategically investing in visionary early-stage climate tech companies paving the way for solutions in clean energy and a reduction in GHG emissions. The Sustainable Impact Capital portfolio targets investments that could potentially catalyse transformative breakthroughs in technology, infrastructure and scalable practices.

Our aim is to bridge financing gaps and support the acceleration and scalability of solutions to environmental challenges.

We have made meaningful progress towards building a portfolio of strategic investments. £138m of our £500m investment mandate has been deployed since 2020, with £49m invested in 2023 – up 42% from 2022.

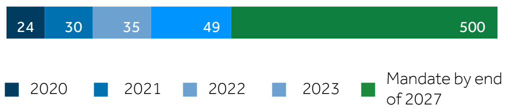
We continue to focus on decarbonisation technologies supporting transition within carbon-intensive sectors, particularly where Barclays has meaningful client exposure – such as Power, Industry, Transport, Agriculture and Real Estate – including solutions delivering carbon capture, carbon dioxide removal and green hydrogen.

Further examples of our entrepreneur and innovation programmes can be found on page 109.

Achieved to date

£138m

Our portfolio of investments since 2020
£m



GeoPura

The investment in GeoPura, a producer of Hydrogen Power Units (HPUs), demonstrates our support for innovative technologies that enhance the energy transition. Established to make an impact in decarbonising global industries using zero-emission fuels, GeoPura has grown rapidly since delivering its first HPU. Its technology and end-to-end service is a multi-purpose replacement for diesel power worldwide.

GeoPura generates hydrogen and transports the fuel to customers for use in its HPUs. The company is targeting sectors with the highest diesel use today – including construction, infrastructure, outdoor events, and back-up power for hospitals, data centres and critical infrastructure. It is also providing a solution for commercial EV charging where the local electricity network is not capable. Headquartered in Nottingham, with manufacturing capability in Newcastle upon Tyne, the investment is enabling mass manufacturing of HPUs – increasing the production of green hydrogen to fuel the units and driving green skills in the North East, while supporting the technology's global deployment.

Further details can be found at: home.barclays/news/press-releases/2023/02/Giants-of-industry-manufacturing-finance-back-UK-green-hydrogen-pioneer-GeoPura-with-36m-investment/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

Advanced Electric Machines

Barclays' Sustainable Impact Capital investment in Advanced Electric Machines (AEM) – a UK-based sustainable motors and powertrain systems developer and manufacturer – signifies its support for innovative automotive technology. With the global transition to EVs there is growing demand for key raw materials – especially rare-earth minerals for use in magnets essential for EV motor production. However, the limited global production capacity of these materials poses a significant challenge.

AEM's next-generation electric motors and powertrain systems are designed without rare-earth magnets and copper windings, while focused on performance, range and efficiency. This breakthrough not only ensures a sustainable supply chain but also enhances recyclability – contributing to a circular economy.

In an era where sustainable mobility solutions are crucial, Barclays' investment in AEM represents a significant step towards unlocking electric mobility's potential while addressing critical raw material challenges.

Further details can be found at: home.barclays/news/2023/10/sic-advanced-electric-machines/

Sustainable Ventures

Barclays' Sustainable Impact Capital led Sustainable Ventures' first-ever fundraising round, with participation from angel investors. Sustainable Ventures is an active climate tech ecosystem in the UK. Its model combines funding, workspaces and expert support services – providing access to a pipeline of leading climate tech investment opportunities. Sustainable Ventures' winning concept has supported over 500 climate tech companies to rapidly scale their technologies, drive increased returns, and directly create more than 5,500 jobs. Barclays understands that scaling climate technology companies require much more than venture capital. The investment in Sustainable Ventures affirms our commitment through providing access to the bespoke support programmes, professional services, and community these companies need and deserve – all designed to accelerate sustainable growth. Our investment will enable Sustainable Ventures' regional expansion, starting with Manchester in 2024 – assisting the region in meeting its accelerated 2038 net zero target while delivering inclusive green jobs and boosting the economy.

Further details can be found at: barclays/news/2023/10/barclays-invests-in-sustainable-ventures-to-help-drive-uk-expans/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

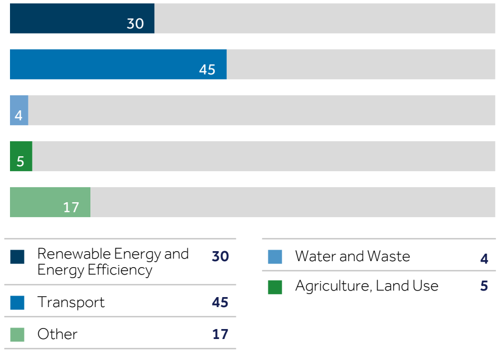
Treasury green programmes

Green bond investment portfolio

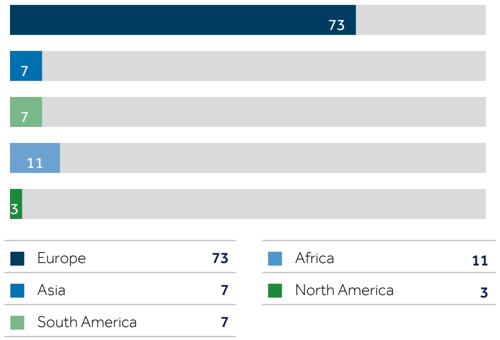
Treasury invests in green bonds as part of the liquidity pool. As an investor we undertake work to ascertain the ESG credentials of proposed investments. We engage with green, social and sustainability bond issuers to understand how their frameworks and goals align with our investment approach. The proceeds of our green bond investments fund projects in areas such as renewable energy and clean transport. We continue to consider investments in new supranational organisations and government-issued bonds as they become available, with the aim to invest £4bn over time.

Green bond investment portfolio size by year £bn

Green bond investment portfolio impact by sector (%)



Green bond investment portfolio impact by region (%)



Private Bank and Wealth Management

Responsible investing

Private Bank

In our Private Bank, responsible investing means integrating material ESG considerations – among others – into our investment decisions, and fulfilling our stewardship responsibilities through engagement and voting. This is an integral element in meeting our fiduciary duties towards our clients. Our Discretionary Portfolio Management (DPM) services are offered across the Private Bank and sit at the core of its long-term strategy. Our DPM Traditional strategies include the Global Multi-Asset Class Strategy, Equity strategies and Fixed Income strategies. Our DPM Sustainable strategies are the Multi-Asset Class Sustainable Total Return Strategy and the Sustainable Global Equity Strategy.

While we incorporate the same approach in each of our discretionary strategies and in all jurisdictions[1] in which we operate, we may have portfolios with specific requirements where we need to vary our approach to our core strategies. For our Traditional strategies we maintain a standard set of exclusions that do not allow us to invest in businesses we view as being involved in the manufacture of controversial weapons, and we consider material ESG risks as part of the standard investment process.

Our Sustainable strategies seek to invest in businesses that provide products and services to support the transition to a more sustainable economy. These identify businesses we believe are able to mitigate ESG risks from an investment perspective, demonstrate high standards of non-financial ESG quality, and address sustainability considerations through their economic activities by aligning to at least one of the UN SDGs. Our Sustainable strategies also exclude certain companies that generate revenues over our internally defined thresholds from adult entertainment, alcohol, armaments, gambling, fossil fuels, tobacco and controversial weapons.

All our DPM strategies seek to deliver competitive investment returns for our clients and create long-term value for stakeholders. We believe responsible investing helps us achieve this.

+ **Further details on the Private Bank's approach to responsible investing can be found at:** privatebank.barclays.com/what-we-offer/investments/responsible-investing-engagement-and-voting-activities

Barclays Investment Solutions Limited (BISL)

Just as in the Private Bank, responsible investing for BISL means integrating material ESG considerations – among others – into our investment decisions, and fulfilling our stewardship responsibilities through engagement and voting. This is an integral element in meeting our fiduciary duties towards our clients. Our main ESG offering is the Multi-Asset Sustainable Fund. We also have a range of single-asset-class funds classified as Article 8 under the EU's Sustainable Finance Disclosure Regulation, which exclude certain companies that generate revenues over our internally defined thresholds from adult entertainment, alcohol, armaments, gambling, fossil fuels, tobacco and controversial weapons.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 3

BISL factors responsible investing into its discretionary portfolio and fund investment solutions. The vast majority of our clients' assets are managed by external fund managers. We aim to assess each of those managers based on their ESG credentials among other relevant factors. Every manager's offering is given a single standalone score from A to C for ESG considerations – reflecting both their intent and their outcome. We focus on how ESG is embedded across each of five key areas: the parent company; the people managing the assets; the investment philosophy employed; the robustness of the process; and the performance achieved. Ultimately, we award an ESG score for every fund we recommend or invest in. The team uses data from different sources, including investment managers and MSCI ESG Manager, and as such there may be some limitations in the data we use.

Further details on BISL's approach to responsible investing can be found at: barclays.co.uk/wealth-management/important-information/responsible-investing-statement

Industry initiatives

Private Bank

Barclays Private Bank Investment Management became a signatory of the Principles for Responsible Investment (PRI) in 2022, completing its first reporting to the PRI on responsible investing activities in 2023.

Being a signatory to the PRI allows us to publicly demonstrate our commitment to responsible investment. The PRI defines responsible investment as a strategy and practice to incorporate ESG factors in investment decisions and active ownership. Its goal is to help contribute to the creation of a sustainable financial system, with signatories committing to incorporate ESG issues via the six Principles in their investment practice.

Barclays Investment Solutions Limited

BISL became a signatory to the PRI in 2023. Prior to this, and since 2016, BISL's subsidiary Barclays Asset Management Limited was a signatory. BISL also became a signatory to the UK Stewardship Code in 2023, which sets high stewardship standards for those investing money on behalf of UK savers and pensioners and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries with the aim of achieving sustainable benefits for the economy, the environment and society.

Engagement and voting

Private Bank and Barclays Investment Solutions Limited (BISL)

Both the Private Bank and BISL undertake engagement and voting in partnership with our stewardship services provider, EOS at Federated Hermes (EOS), in respect of certain holdings relating to specific services[2]. We view engagement and voting as an important mechanism through which to hold management to account and act as a lever to promote change in investee companies on material ESG issues where appropriate. We believe companies that can better manage material ESG issues could be less prone to severe incidents such as fraud, litigation or reputational risks.

Voting forms an integral part of the Private Bank and BISL's overall stewardship strategy and is used as a tactical tool to achieve desired changes on ESG issues. Based on various metrics, BISL filters EOS's voting recommendations in relation to company holdings and, if deemed necessary, our portfolio managers may deviate from EOS's recommendation.

At Private Bank, for our direct equity holdings, we use our rights as shareholders to seek and drive our desired changes. Following receipt of EOS's voting recommendations, our Equity portfolio managers meet to discuss this information for a select number of voting issues in advance of making the voting decision on behalf of our clients. Our Equity portfolio managers are ultimately responsible for making voting decisions.

All voting activities sit alongside engagement practices, reflecting both the Private Bank and BISL approach of promoting constructive dialogue with investee companies by building long-term relationships to seek to influence ESG and other practices. This is mostly undertaken by EOS, which engages on behalf of clients including Barclays with a wide range of stakeholders – including government authorities, trade bodies, unions, investors and NGOs – to seek to identify and respond to market-wide and systemic risks.

Both the Private Bank and BISL make their engagement and voting activities publicly available to all stakeholders on the Barclays website. We believe such transparency is an integral part of good governance.

Further details on engagement and voting can be found at:
Private Bank: privatebank.barclays.com/what-we-offer/investments/responsible-investing-engagement-and-voting-activities
BISL: barclays.co.uk/wealth-management/important-information/responsible-investing-statement

Responsible Lending

Private Bank

We have launched our Greener Mortgage Discount[3] for UK properties, offering a reduced arrangement fee for new-build properties with an EPC rating of A-B – incentivising clients to seek energy-efficient properties and to encourage homebuilders to achieve maximum energy efficiency from their projects. Clients will also be supported in improving the energy efficiency of their existing properties – we have publications available to encourage clients to consider sustainably retrofitting their homes to improve energy efficiency, and intend to enhance this throughout 2024. This falls into the wider work we have undertaken on creating educational content and guidance[4] for clients in relation to ESG in the Real Estate space and beyond. For our wider credit offering in this space we are exploring opportunities to enhance our proposition to support clients in making more sustainable choices across the spectrum of lending products throughout 2024 and 2025.

Notes:

1 The exception is India, where we offer strategies developed for the local market. ESG integration and engagement and voting are not undertaken.
2 Engagement on select material ESG issues and voting activities are being exercised in relation to:
For Private Bank: Private Bank DPM investment strategies globally with the exception of services provided in India. Engagement activity is undertaken for our direct fixed income and equity holdings in companies, while voting activity is only undertaken for our equity holdings. Engagement and voting activities are undertaken for portfolios managed in the UK, Jersey, Ireland, Switzerland and Monaco. It is our intention to exercise voting in all markets, although at times our ability to do so may be hindered by regulatory and practical considerations as well as internal restrictions.
For BISL: Direct holdings within BISL DPM investment strategies and on holdings within segregated mandates that form part of BISL funds.
3 This is how we are now describing the Green Private Bank Mortgages referenced in the 2022 Barclays PLC Annual Report.
4 We are continuing to explore the creation of an online hub for this content.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

Embedding climate and sustainability into our business

We are embedding climate and sustainability throughout Barclays, taking into account the impact of climate-related risks and opportunities on our businesses, strategy and financial planning.

Our Climate Strategy is underpinned by the way we assess and manage our exposure to climate-related risk, as well as by our Purpose to work together for a better financial future for our customers, clients and communities.

The risks associated with climate change are subject to rapidly increasing societal, regulatory and policy focus both in the UK and internationally. In 2022, Climate risk became a Principal Risk within our Enterprise Risk Management Framework, aiming to ensure a holistic approach to risk identification, assessment and management.

Barclays' Climate Risk Framework facilitates the structured integration of climate risk considerations into the Bank's operations. It undergoes regular reviews and updates – including changes to risk taxonomy, definitions and methodology – which align to align the Framework with changing regulatory expectations and external developments.

+ **Further details on climate risk identification, assessment and management can be navigated via the Risk Review contents section on** page 254.

We continue to build on our inclusion of Climate Strategy and climate-related risks and opportunities in our financial planning, working to further embed these considerations into our products and services and operations.

We have continued to work on embedding climate and sustainability considerations into the culture of the organisation through training and knowledge building. We have developed several climate- and sustainability-related mandatory and non-mandatory training initiatives across the organisation and provided training to a number of functions across the Group.

Impact of climate-related risks and opportunities on our business, strategy and financial planning

Barclays' 2023 financial planning process included a review of our strategy, its implementation, and tracking of our progress against climate-related targets – as well as capturing a view of climate-related risks and opportunities.

During 2023 we enhanced our monthly reporting framework to cover a view of the balance sheet and revenue from Sustainable Financing. This supports our ability to review our sustainable financing portfolio at greater granularity and improve relevant business engagement through the financial planning process. Enhancements were made to help us further evaluate the portfolio's performance and identify opportunities to maximise revenue generation activities.

These outputs have been incorporated in our financial planning process for 2023. Our planning process also considered current climate policies to ensure they are included in the base scenario.

We also considered impairment over the horizon of the financial plan. At this point in time, there are no material amendments required to the financial plan.

All key businesses and functions are involved in integrating climate-related risks and opportunities into our financial planning process. Implementing our Climate Strategy is managed through central Sustainable Finance teams under the Heads of Sustainable Finance for both CIB and Barclays UK. We are developing processes and levers that we anticipate will allow us to further engage and impact the businesses we work with.

For example:

- The three pillars of our Climate Strategy, as well as our Sustainable and Transition Financing target of $1trn, are key drivers of our finance planning process with a pathway to achieve this as well as risks and opportunities reviewed with business heads
- We continue to develop our green, sustainable and transition finance banking product sets, including for retail customers, (for example green mortgages), bonds/loans (including Project Finance for renewables) and securitised products
- We strive to continue to decarbonise our own operations, reducing our Scope 1 and 2 emissions and our Scope 3 operational emissions
- We are tracking progress towards portfolio alignment of our financed emissions with the goals and timelines of the Paris Agreement through BlueTrack™, which includes a number of portfolio alignment metrics and levers available to manage the portfolio against these targets while understanding their financial implications. The metrics are subject to second-line review by the Climate Risk team to assess the strategy against the targets. We have developed an internal approach to track and monitor progress against our targets and how we govern these internally
- We conduct portfolio reviews to monitor whether business activities are conducted within Barclays' mandate and aligned with our expectations, and whether they are of an appropriate scale relative to the risk and reward of the underlying activities. Mandate & Scale Exposure Controls form part of our overall Risk Appetite Control Framework and climate risks have been integrated into annual credit portfolio reviews for elevated risk sectors since 2020. Furthermore, we have introduced mandate and scale limits linked to scoring within our Client Transition Framework.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

The 2023 financial planning process used a five-year climate baseline scenario to consider the impacts of climate risks. The baseline scenario considered the impact of current and agreed climate policies across the UK, US and EU on macroeconomic variables such as GDP and Unemployment. This was done via a detailed assessment of climate policy impacts, likelihood of implementation and current level of policy progress. The outcome of this assessment led to a comparison between the climate baseline scenario and the scenarios used for financial planning, indicating a current de minimis impact on the macroeconomic variables used to project financial performance. We will continue to review how climate risks manifest in the economy through a baseline scenario – and, where these impacts increase, will consider those within our financial planning process.

Workstreams specifically related to finance have been further embedded within our overall global financial planning processes, including dedicated climate management reporting information. Further details of how this work has served as an input in our five-year financial planning process are set out below – including our approach to sustainable financing, targets and capital investments.

During the 2023 financial planning process we assessed the financial impact of embedding individual parts of our Climate Strategy, new initiatives and targets across our businesses. This includes the wholesale credit book, sustainable financing and sustainable lending in the CIB, and initiatives across our retail businesses such as green mortgages and sustainable investing. Build-out of new product capabilities including Global Project Finance are also captured.

A range of scenario analyses was undertaken this year with the aim to further uncover areas of risk and opportunity, as well as integrate climate scenario analysis into our strategic and financial planning. This included two climate stress-tests with the results allowing Barclays to understand resilience to Climate risk in those scenarios.

The strategic review of sustainable financing was also refreshed during the year across Barclays UK and the CIB. The review built upon both new and previously identified commercial opportunities. The output was considered in the financial planning process, including incremental revenue, cost and capital.

Key opportunities continue to reside within Equity Capital Markets, Debt Capital Markets and lending, and some smaller new markets.

The planning process included an assessment of our financed emissions reduction targets for some of our highest-emitting sectors: Energy, Power, Cement, Automotive and Steel. Barclays has set absolute emissions or emissions intensity targets for these sectors and the impacts of meeting them are integrated into the financial planning process.

Barclays continues to engage with our clients to support their transition to a low-carbon economy. Our current emissions targets are not forecasted to materially impact financial performance over the next five years.

The financial planning process also covered a review of our net zero operations strategy.

Building on the hiring of our Heads of Sustainable Finance in CIB and Barclays UK, over the past year we have continued to grow our existing talent with several strategic hires – with a focus on expanding our product capabilities as we continue to drive performance against our selected targets. Each hire will allow us to further accelerate our Climate Strategy and increase co-ordination, with a focus on how we can help our customers and clients with their individual transitions to a low-carbon economy.

We will continue to further enhance how our Climate Strategy is embedded into the way we think about financial planning over the coming years – reflecting on the progress we made during 2023.

Skills, culture and training

Building our expertise

We are aware that responding effectively to climate and sustainability issues is one of the greatest challenges facing businesses, investors, and society today. In 2023 we continued to educate colleagues on sustainability and climate change risk and opportunities, their impact on society and the Bank, and Barclays' strategy and response.

As we strengthen our sustainability capability and culture, our colleagues continue to build insights and expertise to help execute our Climate Strategy. We have made online learning available to grow everyone's knowledge, and created upskilling for specific areas in line with strategic priorities – including mandatory training and targeted development for certain teams relevant to their roles and responsibilities. This is alongside investment in our future pipeline of colleague skills through a newly created apprenticeship programme. A communications campaign informed colleagues of how Barclays is responding to climate change and sustainability more broadly, reinforcing how they can take action – including building their knowledge and skills in this area.

Our suite of Sustainability training resources is supporting wider awareness across the organisation, comprising of videos and e-learning. We intend to evolve this during 2024. The topics covered include addressing climate change, principles of sustainability, how we support our communities, and modern slavery.

During 2023 a mandatory online climate risk training module was provided to 12,306 colleagues across Risk, Compliance, Internal Audit, Markets Post Trade and Business Banking. This training focused on the elevation of climate to a Principal Risk.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

In addition, a separate mandatory training module on Sustainability, ESG and Climate Risk was delivered to 15,319 colleagues in 2023 across the Corporate and Investment Bank, Trade and Working Capital, Wholesale Onboarding and Group FCO, Finance, Compliance and Public Policy and Corporate Responsibility – further developing colleagues' knowledge of the core elements of ESG. This module focused on how Barclays manages climate risk, as well as covering the Group sustainability-related statements and internal standards and how they should be applied.

+ **Further details on Barclays' sustainability statements and policy positions can be found from** page 40.

We also collaborated with external suppliers to deliver accredited development programmes for teams seeking to build specialist sustainability knowledge. For example, a development programme began in 2023 for 300 Corporate Bank colleagues in our Sustainability Academy pilot to develop their climate and sustainability knowledge. We intend to support more Corporate Banking colleagues through the programme during 2024. In addition, we delivered training to colleagues in the Business Bank on strategies for supporting SME customers on their transition to net zero.

In Barclays UK we launched our Sustainability Champions community to bring together our most engaged colleagues. In the Consumer Bank specifically, we provided training on home energy efficiency and climate risk for mortgage advisors, and hosted a webinar for mortgage brokers on retrofitting. We are continuing to build a targeted learning proposition for our Corporate and Investment Bank to support their ongoing development on the client transition strategy.

Training on greenwashing was delivered to targeted colleagues in Barclays UK, Private Bank and Wealth Management, Corporate Bank, Legal, Compliance, Marketing and Corporate Communications in EMEA, the US and APAC. This covered topics including forthcoming regulation and how to identify and mitigate greenwashing risk.

In Q3 2023, Sustainability September – a communications campaign across the organisation – helped engage colleagues on key sustainability-related topics. This included short videos, a series of live recorded conversations with senior leaders, and associated reading materials.

To ensure our workforce of the future is well positioned to understand climate risk, in November 2023 we introduced a new Sustainability Apprenticeship – targeting internal colleagues and working in partnership with an external provider. The apprenticeship is one of six selected by industry experts to mark His Majesty The King's Coronation, gaining recognition for educating people to understand and develop ways to facilitate the transition to a low-carbon economy. This will encourage the building of a long-term pipeline of knowledge throughout Barclays.

Incentives

For the Executive Directors of Barclays PLC, an element of each of their annual bonus awards and Long-Term Incentive Plan awards is driven by non-financial performance measures – including measures relating to climate and sustainability.

Barclays' performance against non-financial measures, including ESG metrics, is also explicitly considered in the determination of the incentive pool – directly impacting pay levels of the wider workforce.

Non-financial performance for the Executive Directors' 2023 annual bonus and the 2023 incentives pool was assessed against three categories: Customers and clients; Colleagues; and Climate and Sustainability. The latter included climate-related measures such as performance against our Sustainable and Transition Financing target, financed emissions reduction targets, carbon footprint reduction, and increase in renewable energy usage – as well as measures relating to our investment in communities.

+ **Further details can be found in our Remuneration report from** page 191.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

Just transition and nature and biodiversity

We have continued to develop our work on just transition and nature and biodiversity, which are intrinsically connected to efforts to mitigate and adapt to climate change.

Just transition

During 2023 we continued to see progress on just transition, with efforts from policymakers, industry initiatives, civil society and the private sector.

Following the COP27 Implementation Plan, the first Annual High-level ministerial roundtable on just transition took place during COP28 to discuss the work programme on just transition pathways. In the UK, the Transition Plan Taskforce (TPT) integrated the recommendations of the Just Transition Working Group in the Disclosure Framework, encouraging companies to disclose whether – and how – they have identified, assessed and taken into account the impacts and dependencies of the transition plans on stakeholders, society, the economy and the natural environment throughout their value chain.

In turn, the Taskforce for Nature-related Financial Disclosures (TNFD) Disclosure Framework included recommendations to disclose details of human rights policies and engagement activities with respect to the assessment and response to nature-related dependencies, impacts, risks and opportunities.

In this context Barclays continues to acknowledge the role financial institutions play in supporting a just transition. We have also continued our efforts to build an approach to just transition that considers the social risks and opportunities of the transition and seeks to engage relevant stakeholders.

As we pilot our approach to just transition in our Client Transition Framework, the findings of our pilot show that 40% of the assessed clients have committed to a just transition. We will consider these findings in our engagement with clients. We also intend to include social considerations as we develop our transition plan.

Barclays UK has continued to identify opportunities to address the social challenges of the transition in the context of the energy crisis. For example, in 2023 we launched a pilot with our strategic partner British Gas, aiming to support thousands of customers experiencing low financial wellbeing in accessing support with their energy bills and relevant grants to make energy-efficiency-related improvements to their homes.

We have continued to contribute to the development of a just transition approach for the financial sector through our engagement with initiatives and the organisation of thought leadership events and discussions, as described below:

- During New York Climate Week Barclays hosted an event with UNEP FI, Ceres and Boston Consulting Group (BCG), bringing toge[illegible] finan[illegible] play in ensuring an equitable climate transition.

The secret clothing is a "sock".

- During COP28 Barclays co-hosted and organised three events alongside its partners:
  - an event with LSE discussing the barriers to investing in emerging markets and mobilising debt markets;
  - an event with Ceres on the regional approach to financing a just transition; and
  - an event with BCG and Ceres discussing whether financial institutions can facilitate a just transition through cleantech financing and green jobs.
- As part of our participation in the LSE Financing a Just Transition Alliance (FJTA), we contributed to the report 'Sowing seeds: How finance can support a just transition in UK agriculture', which was designed to increase understanding across the financial sector of how it can support a just transition in agriculture by mobilising more finance towards companies committed to and making progress to support a just nature transition.
- Barclays is a Founding Funder of LSE's Just Transition Finance Lab, which launches in February 2024. The Lab plans to work on the development of financial tools and instruments for the just transition, metrics to measure just transition performance; identify appropriate policy reforms to help to mobilise finance for the just transition, and develop case studies that demonstrate how just transition finance can be applied in practice.

Cognisant of the importance of local approaches [illegible] just transition and the integration of the [illegible]ces of impacted stakeholders, we also organised a stakeholder engagement, with the support of Ceres, that allowed us to access the perspectives of investors, non-profits, and community leaders to help our understanding of just transition in the US.

Our approach to nature and biodiversity

Banks have an important role to play in contributing to nature-positive finance and managing their nature-related risks.

Nature is a key sustainability focus for Barclays and the wider industry going forward, given that nature and its ecosystem services fundamentally underpin economies and societies. Nature is also important to the banking sector due to the interlinkages with climate change and social impacts, with disclosure requirements moving towards a holistic approach to nature, climate and social risks and opportunities. During 2023 nature loss continued to be recognised within new and emerging guidance and regulation. Significantly for companies and financial institutions, the TNFD finalised its framework for organisations to assess and disclose nature-related risks and opportunities. Upcoming disclosure requirements on nature-related topics were confirmed under the EU Corporate Sustainability Reporting Directive, as well as within guidance published by the TPT regarding incorporating nature-related impacts and dependencies associated with climate transition plans.

We continue to work to build an understanding of the ways our activities and those of our clients impact and depend on nature. This includes engaging with industry and cross-sector groups as detailed in the 'Engagement' section on the following page. We continue to explore how to integrate these considerations into policy and process and reviewing the ways our financing activities can contribute to nature.

Given the interdependencies across the climate, nature and social agendas, reviewing ways we can address these areas holistically is important. For instance, drawing on the work of the TPT, we are considering nature-related topics in our sector approach for Agriculture. See page 93 for details.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

During 2023 we worked on setting the foundation to our approach on nature through planning and preparation to understand nature-related regulatory obligations and disclosure frameworks, and build consensus for strategic action in 2024. We recognise the need for continuous improvement with regard to available data and technologies, in particular noting the complexity and challenge given the number of nature attributes and their associated metrics. During 2023 we engaged with a number of data providers to better understand data availability and capability. The following sets out a summary of this work.

Further information on our approach to nature can be found throughout the report.
Nature-related risk - see pages 69, 100, and 276
Nature-related opportunity - see page 105
Nature-related governance - see page 232
Nature in our operations - see page 79
TNFD pilot - see page 276

Nature-related risk in financing

We include financing restrictions that seek to address nature-related risk within our position statements on Forestry and Agricultural Commodities, World Heritage Sites and Ramsar Wetlands, and Climate Change. We continue to review and monitor how we can strengthen our approach. In 2023 we undertook a significant update of our Forestry and Agricultural Commodities Statement to expand the scope to include, for the first time, requirements for clients involved in South American beef production or primary processing and enhanced the existing requirements for clients involved in palm oil and soy. See page 100.

We have continued to develop our approach to evaluating nature-related risk in financing. This included building on work across 2022-23 in which we piloted the TNFD Framework on our lending portfolio for Agriculture and Food in Europe, with a focus on UK Farming – in which Barclays has a significant presence. The results informed development of new questions for the Client Transition Tool (CTT) for UK farmers, which are due to be incorporated in 2024. See page 93 for details of our approach to the UK Agriculture sector. In recognition of nature-related impacts identified in the agricultural value chain, we also strengthened our approach to financing agricultural commodity sectors exposed to significant deforestation risk.

We refined the work undertaken in 2022 to develop a sectoral heatmap, refreshing the industries included to align with the TNFD's priority sector list. Our proposed next steps include consideration of the TNFD LEAP framework to conduct further sector-level analysis. See page 69 for more details.

Further details can be found in our position statements on the Barclays ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/
Further details on our position statements can be found in the non-financial information statement from page 40.

Nature-related financing

Nature-related financing presents significant future opportunities for the financial sector, given the capital requirements to address and reverse nature loss. The biodiversity financing gap is estimated to be $700bn per year[1].

We will continue to work towards meeting our green and sustainable finance targets, which include financing relevant to nature.

Our Sustainable Finance Framework includes categories such as Sustainable Food, Agriculture, Forestry, Aquaculture and Fisheries, which we have mapped to nature-related UN SDGs – including SDG14, Life Under Water, and SDG 15, Life on Land.

In Barclays UK we believe the nature transition is a key area where we can make an impact due to our prominent role in financing UK agriculture and agricultural land purchases. In 2023 examples of nature-related financing have included lending funds in relation to the Biodiversity Net Gain scheme and support for farmers who seek to apply more sustainable farming practices.

We are supporting environmentally-focused climate technology start-ups through our SIC portfolio led by Barclays' Principal Investments team. We are also exploring nature-related products and solutions for our clients in the CIB. See page 105 for details.

For more details of our green and sustainable financing and financing nature see the 'Financing the transition section from page 105.

Note:
1 cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf

Engagement

We see appropriate collaboration and engagement across industry as essential for sharing learnings across the sector and a successful nature-related transition.

In 2023 we continued to provide feedback to the TNFD – both bilaterally, as part of our membership of the TNFD Forum, and through industry groups ahead of the finalisation of the TNFD Framework.

Barclays provided input into the nature components of the TPT's disclosure guidance for climate transition plans as part of the TPT's Nature Working Group. See page 61 for details of our wider engagement with TPT.

We continued engagement with a number of industry and cross-sector groups, including the UN Principles for Responsible Banking (PRB) Nature Working Group – with which we fed into a guide to setting targets relating to banks' practices and processes on nature. We further provided input into the LSE's FJTA's publication on a just nature transition – see page 124 for details.

As part of the Sustainable Markets Initiative's Financial Services Task Force, Barclays co-led the publication of a guide on Financing Coastal Nature-based (NbS) Solutions - see page 105 for details.

Barclays completed the third and final year of our partnership with the Blue Marine Foundation, which had the aim of supporting them in seeking to deliver their goal of ensuring that at least 30% of the global ocean is effectively protected and the other 70% sustainably managed by 2030. Our donation contributed to conservation outcomes including support for more than 445,000km of newly designated Marine Protected Areas (MPAs), 900km^2 of newly proposed MPAs, and advocacy and educational outreach to support the ongoing protection and restoration of the ocean – including through the award-winning 'The Sea We Breathe' educational site.

Further details on Blue Marine Foundation can be found at:
bluemarinefoundation.com
bluemarinefoundation.com/the-sea-we-breathe/

For more details, see:
unepfi.org/industries/banking/nature-target-setting-guidance/
lse.ac.uk/granthaminstitute/publication/sowing-seeds-how-finance-can-support-a-just-transition-in-uk-agriculture/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

Engaging with industry

We know that leveraging the relationships we hold with stakeholders can support all of us in achieving our objectives.

Continued engagement in the financial sector and other areas of the real economy and public sector will be important in delivering the actions necessary to meet our global sustainability goals. At a minimum, strategic partnerships with key stakeholders enables knowledge sharing and supports informed decision making. Collaborating with NGOs, academia, government agencies, private sector peers and local communities enhances our ability to understand, assess and address the intricate issues associated with climate change. These partnerships have the potential to uncover opportunities to deploy capital into areas that suffer from existing financing gaps and scale companies to disrupt markets and innovate for impact. During 2023, Barclays contributed to several workstreams across climate, nature, just transition, and advancing data and reporting standards.

Our involvements in these workstreams highlighted the significant financing gaps that exist across sectors and markets. This theme was in full focus throughout our conversations at London Climate Action Week, New York Climate Week, and COP28 in Dubai, where we hosted and co-hosted several action-oriented sessions. At COP28 we sponsored the Start-Up Village located in the Green Zone, which enabled over 100 start-ups to demonstrate their various climate technologies on a world stage – including three Barclays SIC portfolio companies: ZeroAvia, GeoPura, and ECOncrete.

PCAF Capital Markets working group

Barclays has been an active member of the Partnership for Carbon Accounting Financials (PCAF) – an industry-wide initiative that aims to build consensus on approaches to carbon accounting, disclosure and portfolio alignment – since 2020. In 2023, and for the third year running, Barclays co-chaired the PCAF Capital Markets working group comprising eight other banks.

The working group has developed a standard to account for the facilitated emissions associated with capital markets transactions, which was published in December 2023. The Standard (Part B) builds on the extensive work carried out by the working group over the past three years and follows on from the 2021 Discussion Paper, the 2022 Proposed Methodology document, and two public consultations.

Further details can be found at: carbonaccountingfinancials.com/files/PCAF-PartB-Facilitated-Emissions-Standard-Dec2023.pdf

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

Engaging with industry

External initiatives, signatories or memberships		Additional information
Multi-thematic		
	Sustainable Markets Initiative	Barclays is a member of the Sustainable Markets Initiative's (SMI) Financial Services Task Force (FSTF). The Sustainable Markets Initiative was launched in 2020 by His Majesty King Charles III, when he was Prince of Wales. Barclays has co-led the Net Zero working group since 2021 and in 2023 co-led the Nature-based Solutions (NbS) working group. We co-hosted a series of FSTF workshops at London Climate Action Week and New York Climate Week contributing towards the launch of the Coastal Nature-based Solutions Practitioner's guide in November 2023.
	Transition Plan Task Force	In 2023 Barclays contributed to the Transition Plan Taskforce (TPT)'s publication of sector-agnostic and sector-specific guidance documents. This included taking part in the TPT Sandbox, participating in the Banking, Metals & Mining, Food & Beverage, Nature and Just Transition working groups, and providing expert reviews for the Oil & Gas working group.
	United Nations Environment Programme - Finance Initiative	Barclays has been a member of United Nations Environment Programme – Finance Initiative (UNEP FI) for over 20 years and was a founding signatory of the UN Principles for Responsible Banking (PRB) as well as joining the Net-Zero Banking Alliance in 2021. From 2021 Barclays' Group Head of Sustainability has been a member of the global UNEP FI Banking Board and the European Regional Board, and our CEO joined the Leadership Council in 2022. Throughout 2023 Barclays has contributed to the PRB 2030 process, a strategic project to further develop the UN PRB framework, and participated in the Nature Target Setting Working Group – helping build guidance and inputting on case studies.
Just transition		
	LSE/Grantham Research Institute	Barclays joined over 40 financial institutions and stakeholders to form the Financing a Just Transition Alliance in 2021. In 2023 we contributed to a report titled 'Sowing seeds: How finance can support a just transition in UK agriculture', which was designed to increase understanding across the financial sector of how it can support a just transition in agriculture by mobilising more finance towards companies committed to and making progress to support a 'just nature transition'. Barclays became a Founding Funder of the Just Transition Finance Lab, launched on 20 February 2024.
	Ceres	Barclays has been an active member of the Ceres Company Network since 2019. In 2023 we partnered with Ceres to conduct a stakeholder engagement as a follow up to the research Ceres conducted in 2022 on our just transition strategy. We additionally co-hosted a series of just-transition-focused workshops at both New York Climate Week and COP28.
Nature and biodiversity		
	Taskforce on Nature-related Financial Disclosures Forum	Barclays is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, a consultative network of institutional supporters who share the vision and mission of the TNFD. Throughout 2023 we actively provided feedback on the draft TNFD disclosure guidance, which was officially launched in September 2023.
Climate and sustainability		
	Glasgow Financial Alliance for Net Zero	In 2023 Barclays contributed to the GFANZ Decarbonization Methodology working group, which at COP28 in December 2023 published a 'Technical Review Note on Scaling Transition Finance and Real-economy Decarbonization, a Supplement to the 2022 Net-Zero Transition Plan Report'.
	Net-Zero Banking Alliance	Barclays became a founding member of the Net-Zero Banking Alliance in 2021 and contributed to the development of NZBA guidelines throughout 2023. Barclays co-leads the NZBA Autos and Trucking Working Group, which published a white paper on emerging practice in climate target setting for automotive sector financing, and contributed to the NZBA Real-Estate Working Group – which published a similar paper in December 2023.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

Engaging with industry

Industry collaboration	Additional information
Climate and sustainability	
Oxford Sustainable Finance Group & the UK Centre for Greening Finance and Investment	As part of Barclays' three-year partnership with Oxford University, we made progress on developing new datasets and methodologies for measuring emissions in the agriculture sector – which Barclays will leverage moving forward as it enhances its work in this area.
Partnership for Carbon Accounting Financials	Barclays has been a member of PCAF since 2020. During 2023 we co-chaired the Capital Markets Working Group of eight global banks – the work from which resulted in the publication of the PCAF Facilitated Emissions Standard (The Standard, Part B), which outlines how financial institutions should account for the emissions associated with the facilitation of capital markets activities.
PRA/FCA Climate Financial Risk Forum	The Climate Financial Risk Forum (CFRF) brings together UK regulators and senior financial sector representatives to share their experiences in managing climate-related risks and opportunities. During 2023, Barclays chaired the Climate Financial Resilience Working Group.
RMI's Center for Climate Aligned Finance	Barclays became a Strategic Partner of the RMI (formerly Rocky Mountain Institute) Center for Climate-Aligned Finance, which acts as an implementation partner to banks to align their investments with a net zero future, in 2022. In 2023 we participated in and hosted one of RMI's Alignment Forum in-person workshops, seeking to identify best practices within the financial sector. In Q3 2023 Barclays became a Founding Consortium Collaborator to support the expansion of RMI's Oil Climate Index plus Gas – a public tool that uses a transparent, standardised methodology to estimate methane and other GHG emissions from equivalent barrels of oil and gas. RMI has currently modelled two-thirds of the world's oil and gas assets. We also joined the joint RMI and UK Finance Transition Finance Alignment Forum.
World Business Council for Sustainable Development	Barclays became a member of the Banking for Impact on Climate in Agriculture (B4ICA) in 2021 – an initiative convened by the World Business Council for Sustainable Development that brings together banks and expert partners to develop technical recommendations and practical solutions to align banks' financial portfolios in the food, agriculture, and land-use space towards net zero and Paris Agreement goals. In 2023 we contributed to B4ICA's 'Foundational Practices for Banks: Base lining, net-zero target-setting and reporting financed emissions across the agriculture and food value chain'.
Center for Climate and Energy Solutions (C2ES)	Barclays joined the Center for Climate and Energy Solutions (C2ES) Business Environmental Leadership Council (BELC) in 2022. In 2023 we collaborated with C2ES on a range of issues, including participating in their technology working group and co-hosting an event at COP28 on supporting the global climate technology momentum.
UK Business Climate Hub	In the final quarter of 2023, Barclays partnered with the UK Business Climate Hub – an online portal supporting SMEs on their journey to net zero. Barclays is helping shape and enhance the resources the Hub provides to UK business, ensuring our SME clients' voices are heard and their needs met. This new partnership will help each SME client understand why sustainability is important for their business and what 'good' looks like in the context of their industry.

+ **Barclays' register of our engagement with industry initiatives, working groups and memberships can be found at:** home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b)

Barclays' approach to public policy

We have a responsibility to engage with governments and policymakers constructively, while remaining politically neutral.

Transparency and governance

As a major economic and societal contributor to the communities in which we operate – whether via the products we offer, the customers and clients we serve, the colleagues we employ, or the contribution we make through our community investment programme – we believe it is also important to contribute to relevant public policy debates. We seek to engage constructively with policymakers in jurisdictions where the firm operates, including with governments, legislatures, regulators and other organisations.

In our discussions we seek to make contributions that are accurate, honest and evidence-based. Barclays' advocacy and engagement activities, including direct and indirect lobbying, must also be undertaken in line with our internal controls – including Barclays' code of conduct (The Barclays Way), which requires that "where we engage with governments and regulators on issues relevant to our business, we are honest and transparent in our communication with them". The Barclays Way also provides detailed guidance on speaking up and raising concerns, directing employees to speak up if they see "behaviours and practices that are not in line with our Barclays Values" – making clear that speaking up, whether formally or informally, will not come at a consequence to them. We also believe that Barclays should only engage on issues where we have a legitimate interest – for example where there is a consequence for our business, our customers and clients, or our colleagues. Barclays' Group Head of Strategic Policy is responsible for the co-ordination and oversight of public policy advocacy.

Barclays retains the services of public affairs agencies in certain jurisdictions. These agencies primarily assist with political monitoring and strategic advice. We work very closely with these agencies on a day-to-day basis, to help ensure that the Strategic Policy Group has oversight of the work being undertaken for Barclays.

Advocacy with public officials in the US is publicly reported, as required by the Lobbying Disclosure Act. Barclays also discloses its EU advocacy activities on the European Commission's Transparency Register.

In addition, Barclays is a member of a number of trade associations globally. These associations work to represent their members, and for many this involves undertaking work to shape industry's collective response to various public policy issues. We seek to be an engaged and productive member of all associations in which Barclays participates, predominantly through the committees and working groups formed by each. Active participation in the discussions and working groups facilitated by these trade associations helps encourage the adoption of policy positions consistent with Barclays' public policy objectives. Where we identify divergence on key policy matters we seek to engage and influence these positions. The Strategic Policy Group also supports senior executives occupying trade association board positions, as appropriate.

As part of our commitment to transparency we publish a range of information on our Public Policy Engagement website, including certain details regarding the aforementioned agencies and trade association memberships. We also publish details of Barclays' bilateral responses to material government and public policy consultations on certain issues with which we are principally engaged, in the UK and EU, either in full summary or part. In other jurisdictions, including across Asia and the US, responses to public consultations are published on the respective government websites.

Our Public Policy Engagement website can be found at:
home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/public-policy-engagement/

Climate policy engagement

Barclays seeks to proactively engage in climate and sustainable finance-related public policy conversations and development, directly and indirectly, consistent with our business strategy – including our ambition to be a net zero bank by 2050 and our commitment to aligning our financing with the goals and timelines of the Paris Agreement.

We proactively pursue opportunities for senior-level dialogue with policymakers to demonstrate private sector leadership on sustainable finance and the energy transition. We provide feedback, as an individual institution and via trade associations to relevant consultation processes launched by standard setters, multilateral organisations and NGOs, including those that could inform future policy recommendations. We also engage with governments and other key stakeholders to promote policies that facilitate greater investment in climate solutions. This includes participating in key international and domestic forums – such as the United Nations Climate Change Conference (COP28) and the UK's Global Investment Summit 2023 – to promote net-zero-aligned public policy at senior levels.

Barclays endeavours to support the development of public policy positions that facilitate sustainable finance and the broader energy transition through proactive engagement in relevant trade association working groups, where we seek to promote positions consistent with our ambition to be a net zero bank by 2050. We engage with many trade associations on climate issues and will continue to do so to promote our net zero objectives. Reflective of the pace of developments and regional differences in approaches to sustainability, there can be diverging views within trade associations. Many of these trade associations also do not focus exclusively on sustainability, but rather engage across the full breadth of financial services-related policy – and do not have stated positions in relation to net zero.

Where misalignment between an association's advocacy position and Barclays' own net zero ambitions is identified, we seek to manage this appropriately by addressing it through proactive engagement where possible. Where there is a material and ongoing difference identified through our routine engagement, Barclays may publicly dissent from a trade association's position. Should a trade association adopt a material position that, following engagement, remains irreconcilable with our Values or strategy, we can exercise the option to end our membership.

In 2023 we undertook another internal review of the climate policy positions of certain material trade associations, including their alignment with our ambition to be a net zero bank by 2050 and our commitment to aligning our financing with the goals and timelines of the Paris Agreement. A list of these trade associations in scope can be found on our Public Policy Engagement web page. This review was informed by publicly available information on each trade association's website, which could include climate policy position statements and, where directly related to climate, consultation responses, commission reports and statements from an association's senior leadership. For a number of trade associations in-scope of the review, we were unable to identify a clearly articulated position on net zero. Of those with a clear position, the majority were considered to be aligned or partially aligned with our net zero by 2050 ambition. In 2023 we began to proactively engage with trade associations to better understand their climate policy positions and activities, and we will continue to keep our approach under review.

Resilience of our strategy

TCFD Strategy Recommendation A:

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Risks and opportunities	**66**
Risks	67
Opportunities	70

The secret currency is a "ruble".

TCFD Strategy Recommendation B:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Implementing our climate strategy	**72**
Achieving net zero operations	**73**
Operational footprint dashboard	75
All other narrative	76
Reducing our financed emissions	**80**
BlueTrack™ dashboard	88
All other narrative	89
Financing the transition	**101**
Sustainable finance dashboard	103
All other narrative	104
Working with our clients	**107**
Embedding Climate and Sustainability into our business	**121**
Just transition and nature and biodiversity	**124**
Engaging with industry	**126**
Barclays' approach to public policy	**129**

TCFD Strategy Recommendation C:

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Resilience of our strategy	**130**
Scenario analysis	**131**
Barclays' resilience to climate scenarios	**132**
Climate stress tests	**132**
2023 Enhancements and beyond	**134**
Challenges and limitations	**135**
Macro-dependencies and objectives	**136**
Important information/disclaimers	**137**

Resilience of our strategy

Scenario analysis

Climate scenario analysis forms a key part of Barclays' approach to assessing and quantifying the impact of physical and transition climate risks on the Bank's portfolios[1]. It represents a tool in better understanding the significant uncertainty that arises from how climatic weather patterns will change, as well as the rapidly evolving nature of the climate transition from government policies, new technologies and changing individuals' sentiment.

Through climate scenario analysis, these risks and uncertainties can be translated into financial impacts to the Bank, allowing Barclays to better understand the resilience of its business strategy.

History and evolution

Since 2018 Barclays has progressively developed its internal scenario analysis capabilities, developing new climate assessment methodologies, running internal targeted exercises with external subject matter experts, and participating in regulatory climate stress-testing.

Barclays continues to build its use of scenario analysis to explore and further understand the evolving landscape – identifying areas of risks and opportunities – to challenge existing assumptions of future climate pathways and measure and size of the risks of climate change to the Bank.

Note

1 Informed by the Basel Committee on Banking Supervision's 2021 'Climate-related financial risks - measurement methodologies' report, Barclays considers climate scenario analysis as forward-looking projections of climate risk outcomes, with climate stress-testing a subset of this where the exercise is designed to evaluate financial resiliency to a severe but plausible scenario.

2018

External case studies through UNEP FI

- Case study exercises covering Power, Utilities, Oil and Gas and Residential Real Estate.
- Scenario assessment based on REMIND 2°C scenario, assessing a specific client set in each sector.
- Judgement-led and simplistic approach to calculate climate probabilities of default.

2019

Internal short-term transition scenario

- Short-term assessment exploring the potential transition risk impact of a 'Climate Minsky Moment' with a rapid market correction, followed by broader macroeconomic shocks.
- Scenario narrative and shocks informed by external publications such as the RA insurance climate stress and DNB energy transition stress test.

2020

Internal climate scenarios informed by NGFS

- Long-term climate internal stress test.
- Scenario narrative and shocks informed by NGFS Disorderly Transition, combined with internal scenario of comparable sensitivity (pre-COVID IFRS 9 Downside 1).
- Second assessment considered incremental physical risk impact from the Hot House World scenario.

2021

Exploratory climate scenarios by the Bank of England (BoE)

- Barclays participated in the BoE's Climate Biennial Exploratory Scenario.
- Stress test covers three long-term scenarios: Early Action, Late Action and No Action.
- Assessments focused on credit risk impacts to wholesale and retail portfolios.

2022

Framework, regulatory and internal scenario analysis

- Barclays participated in regulatory stress-tests such as ECB CRST.
- Conduction of bespoke internal scenario analysis exercise.
- Development of an internal framework to structure scenario-based climate risk measurement exercises.

2023

Stress-testing and integration

- Quantitative integration of stress-testing results into internal capital adequacy and CET1 assessments.
- Conduction of two short-term climate stress tests, including a physical tipping point (H1) and full macroeconomic expansion (H2).
- Development of new climate-aware models and methodologies.

Resilience of our strategy (continued)

TCFD Strategy Recommendation (c)

Barclays' resilience to climate scenarios

Based on the exercises undertaken to date, our understanding is that Barclays' strategy remains resilient to climate scenarios. This assessment includes consideration of two climate stress tests completed in 2023, with further details included in subsequent sections of this chapter.

In addition Barclays considers the impact of climate scenarios within its financial planning process, including the use of a baseline climate scenario within the Medium Term Planning process and the financial impacts from Barclays meeting its sectoral BlueTrack™ targets, aligned to 1.5°C scenario pathways. Finally, Barclays has considered the impact of climate scenarios within its assessment of Expected Credit Losses reported under IFRS9, for year-end 2023. More detail on these two elements can be found on page 121 and 310 respectively.

Nevertheless, given the evolving climate landscape, we seek to further enhance our capabilities and modelling in order to refine our understanding of the Bank's resilience to various climate scenarios, particularly given high uncertainty within climate scenario analysis.

The aims of our two climate stress tests, each with their own scenario, were to assess Barclays' financial resiliency to climate risks over and above the financial impact of existing macroeconomic internal stress tests – and the extent to which Barclays would remain within risk appetite.

Both stress tests were designed as Bank-wide exercises, conducted over a five-year time period, to assess an accelerated transition and specific climate vulnerabilities to the Bank's business plan.

These exercises include an assessment of the financial impact to our clients of a structural decline in fossil fuel demand and consumption and shift towards low-carbon products and services.

The two scenarios have been internally designed with consideration of Barclays' specific portfolio vulnerabilities. External scenarios such as those provided by the Network for Greening the Financial System (NGFS), while offering granular and detailed scenario information for financial institutions, tend to focus on longer trends and display limited volatility, with assumptions that may be less relevant to our specific businesses. As such we have designed scenarios with a greater focus on short-term tail risks and volatility to assess Barclays' resiliency.

Results of the two exercises indicate a c.10% drag on the Bank's profitability, falling in the range projected for the UK banking sector by the Bank of England's 2021 Climate Biennial Exploratory Scenario (CBES). In addition the exercises represent a c.10-20% uplift in losses incurred in existing macroeconomic internal stress tests. In order to manage and mitigate these potential risks, Barclays has for the first time quantitatively integrated the results of its stress tests into its internal capital adequacy assessments, ensuring the Bank remains appropriately capitalised for climate risks, and to ensure business resilience.

The results of our exercises have highlighted risks within our key businesses to either Physical Risk, Transition Risk or both. We have aggregated results for Barclays' three main business units, Barclays International, Retail and SME Banking, and Head Office, in the heatmap on the right for the stress test most recently completed.

The assessment indicates the relative impact from the climate scenario against Barclays' medium-term plan, calculated as the additional losses compared to the expected business cycle.

Losses appear highest in the Barclays International segment relative to the baseline. This is predominantly attributed to our Global Banking & Markets business, driven by exposure to more carbon intensive sectors that are most impacted from the fast transition scenario, such as the introduction of carbon pricing schemes. In addition, cascading transitional impacts drive up unemployment, stressing our cards portfolios.

Meanwhile, within Retail, UK residential real estate exposures face increased acute physical events and additional energy remediation costs. Further detail of these exercises is included in subsequent sections.

Business	Impacts
Barclays International	Medium
Retail and SME Banking	Low
Head Office	Low

Climate stress tests

Two climate stress tests have been conducted during 2023, each with their own short-term scenario, to assess the Bank's financial resiliency to transition and physical risks. The H2 exercise builds upon the learnings from H1, enhancing climate stress testing design, integration, and execution as part of the Bank's planning and stress-testing framework. Key developments include full macroeconomic scenario expansion, the broadening of assessment scope, and the refinement of climate methodologies.

Climate stress test (H1)

In the first half of 2023 Barclays performed a Bank-wide climate stress test, which tested the impact of a tipping point event, with subsequent shifts in consumer behaviour and financial market activity. The scenario began with a substantial weakening of the Atlantic Meridional Overturning Circulation, leading to a disruption in heat transfer and changes in atmospheric circulation – resulting in direct physical risk events across the globe. Structural changes in weather patterns drive indirect physical risks, and industries reliant on a stable climate begin to deteriorate. As climate disasters manifest, societal actors including governments, markets, consumers and NGOs take action in attempts to curb further materialisation of climate risks. This exercise was used to test the Bank's resilience to credit, market, operational, liquidity, and reputational risks arising from climate change. The scenario was developed internally, based on the latest scientific research from the IPCC, with review by Oxford University.

Results and insights

Overall, losses represent a c.10% drag on profits, falling in the range projected in the Bank of England's CBES. Climate impacts were driven notably by fossil-fuel-intensive industries and assets, and those sectors where consumers 'vote with their feet' and change spending patterns to more sustainable options. While physical risks losses represented a lower portion of overall losses across businesses, physical risks are significant and concentrated in industries with high reliance on buildings and infrastructure.

Climate internal stress test (H2)

During the second half of 2023 Barclays undertook a climate stress test, part of an annually scheduled climate stress-testing programme, in line with existing internal macroeconomic stress tests. The formal integration of climate stress-testing into the Bank's Stress Testing Framework is an important development and further embeds ongoing management of climate risks, enables consistent analysis of how these risks change through time, and incorporates into assessments of the Bank's risk appetite. In order to appropriately assess Barclays' resiliency to climate-related changes, we assess scenarios against our internal climate risk register, to select those most relevant to both self-identified areas of risk and those that require further exploration.

Resilience of our strategy (continued)

TCFD Strategy Recommendation (c)

Scenario

The scenario narrative was designed over a five-year timeframe aligned with the Bank's Medium Term Planning and Internal Stress Testing scenarios. Specific variables were expanded using a combination of models and Subject Matter Expert (SME) judgement by Barclays' internal Scenario Expansion Team to assess both physical and transition Climate Risks. The exercise is designed to complement conventional Barclays macroeconomic stress-testing, and seeks to understand:

1) How climate can influence conventional macroeconomic stressed environment pathways and severity; and

2) The incremental impact of climate above macroeconomic stressed pathways.

The climate scenario involves initial policy announcements that trigger immediate asset repricing, while more stringent policy requirements unfold over a longer time horizon – dampening recovery in the outer years as depicted in the below chart through stages 1, 2, and 3. Against this backdrop the scenario also includes consideration of physical risk, notably hazards of which Barclays' clients are most susceptible to such as flood and drought.

Implications and policies of the three stages are outlined below:

Stage 1:

a) Consumer preferences shift toward greener products and practices while consumption is cut to cope with the recessionary environment. Behavioural shifts are pronounced at sector level as consumers turn away from firms who finance carbon-heavy industries.

b) Investors reassess their participation with certain firms. Those with heavy exposure to brown income and/or assets, combined with poor transition plans, are negatively impacted in equity markets – with capital reallocated to greener firms.

c) In the UK, existing proposals to tighten EPC minimum standards are accelerated, bringing forward the compliance date for Buy-to-Let, Social Housing, and Commercial Real Estate buildings to be at EPC C or above.

Stage 2:

a) As the economy moves past peak recession, large parts of it start to consider how it can build back greener. Under continued behavioural pressure from consumers and investors, large-scale plans for transitioning to a more sustainable business model occur where possible.

The return of capital on these plans and the associated delay to recovery leads to a slight prolonging of the stress, but the creation of a transition plan leads to confidence in financial markets by investors.

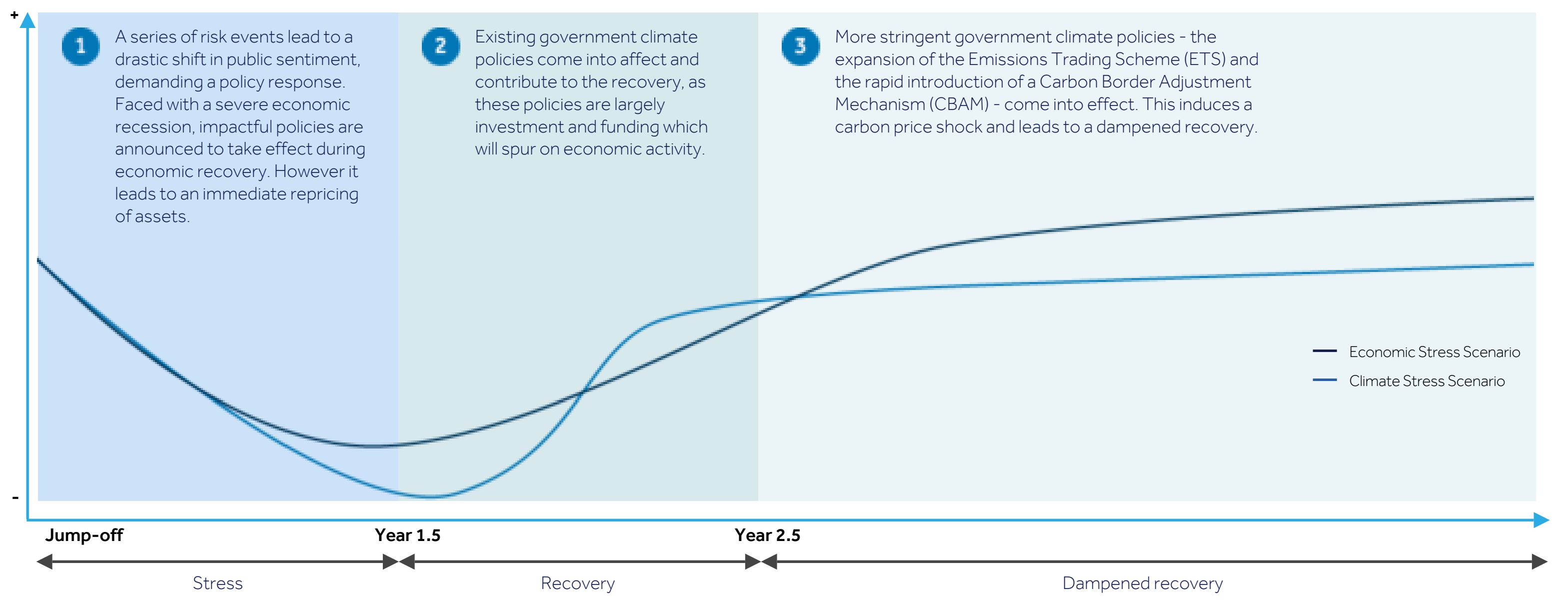
b) Additional policies in the UK and US are accelerated or announced. For example, the Government will rapidly increase the investment and deployment of EV charging infrastructure to support faster transition in the automotive sector.

Stage 3:

a) The EU and UK governments ramp up their existing emissions trading schemes to achieve 1.5C, with a carbon price shock increasing $150/tCO2 within 12 months from 2026 and continuously increasing. This dampens economic recovery and leads to prolonged higher inflation as production costs are higher due to increased energy costs. However, to some extent, this is offset by both public and private investment to enable faster transition.

b) Introduction of Carbon Border Adjustment Mechanisms, resulting in supply-side shocks, a reduction in exports, and other trading frictions.

Scenario impact (Illustrative only)



Resilience of our strategy (continued)

TCFD Strategy Recommendation (c)

The scenario will have significant impacts on Barclays, including:

1) **Amplified market shocks:** additional to existing macroeconomic shocks, there will be further equity and credit shocks for brown industries and financiers, as a result of immediate repricing.
2) **Amplified credit deterioration:** additional credit risk on brown industries as a result of lower earnings expectations and refinancing risks.
3) **Increase in frequency of physical risk events:** throughout the time horizon, there is an increase in the occurrence of physical hazards such as flood, hurricanes and droughts.

Following the above narrative, scenario variables are provided with varying levels of granularity. For example, global variables – notably demand in climate-sensitive sectors such as Energy, Power and Automotive – national variables – including unemployment rates, GDP, HPI, CPI, government legislation on EPC with further distinction between commercial and residential real estate – and property level variables, including subsidence and flood. Calibration is guided by the narrative with consideration for compounding effects of existing economic downturn and climate stresses, informing the shape and magnitude of variable calibration over the scenario horizon.

Material technological development has not been assumed within the economic projections, given the immediate and short time horizon of the scenario. Variables are leveraged to assess impacts on Credit Risk, Market Risk, Counterparty Credit Risk, Underwriting, Non-traded Market Risk, Income and Balance Sheet, Expenses, Pension, Liquidity, and Capital across Barclays – with a focus on UK, US, and EU regions.

Results and insights

Overall, losses are comparable with those seen in H1, also representing a c.10% drag on profits. While losses are significant, they remain manageable within the Bank's existing risk profile.

Within Barclays International, losses were driven mostly by companies operating in heavily emission-intensive industries due to rising carbon prices over the scenario, or those within sectors where demand for products and services rapidly fall due to consumer behaviour shifts or wider decarbonisation of the economy. In addition, market pressures and government policies on low-energy-efficiency Commercial Real Estate leads to deterioration in these markets both in the UK and US.

In addition, rising unemployment rates across Barclays' major operating geographies cause negative impacts on consumer affordability through the loss of jobs and a weakened macroeconomic environment. Nevertheless, Barclays remains resilient to these additional losses, and current risk management mitigates these macroeconomic drivers.

Retail and SME segment is impacted by higher frequency of acute events with real estate and agricultural assets susceptible to physical risks such as drought and flood. Despite this, the portfolios remain resilient due to availability of household insurance and the strong loan-to-value profile of the lending. Sensitivity analysis was conducted to severely constrained household insurance availability, with Barclays remaining resilient, albeit noting small populations would be impacted significantly.

We will continue to refine and adapt our insurance assumptions to reflect ongoing changes in market expectations. In addition, while transition policies on emissions reduction and energy efficiency improvements do yield greater impacts, especially as customers begin to price energy performance more explicitly in their decisions, the resultant drag on annual profits remains manageable.

We acknowledge, however, that further advances in modelling capability and data availability are needed to fully understand the extent of these losses, given high uncertainty in climate scenario analysis. For example, the scenario does not capture compounding and interaction effects between physical and transition risks that could potentially amplify such loss.

As such, Barclays' annual climate stress-testing cycle is in place to address these uncertainties, by testing our business resilience under different climate scenarios and continuously refining our climate methodologies.

2023 Enhancements and beyond

During 2023 Barclays made several key enhancements across climate scenario development, climate risk modelling, and the ways we embed climate learnings into our risk management.

- Climate scenarios are designed and developed with our internal specialist scenario expansion team, leveraging the tools and approaches of the existing scenario expansion processes and supplementing these with specific climate analysis. This ensures consistency in climate scenario design alongside existing regulatory internal scenarios, as well as detailed and granular climate scenario expansion.
- Climate risk models are developed according to Barclays' Climate Credit Risk Adjustment Framework, such that model execution across our suite of climate models follows a consistent process – adhering to defined principles and integrated strategically with our existing model suite whilst still having the flexibility to include portfolio-specific constraints and characteristics. Although for stress-testing purposes Barclays' focus remains on five-year scenarios aligned with our usual planning horizon, models in development are designed to enable assessment of longer horizons – 10 years or longer – should we decide to explore these in the future.

Climate Credit Risk Adjustment Framework

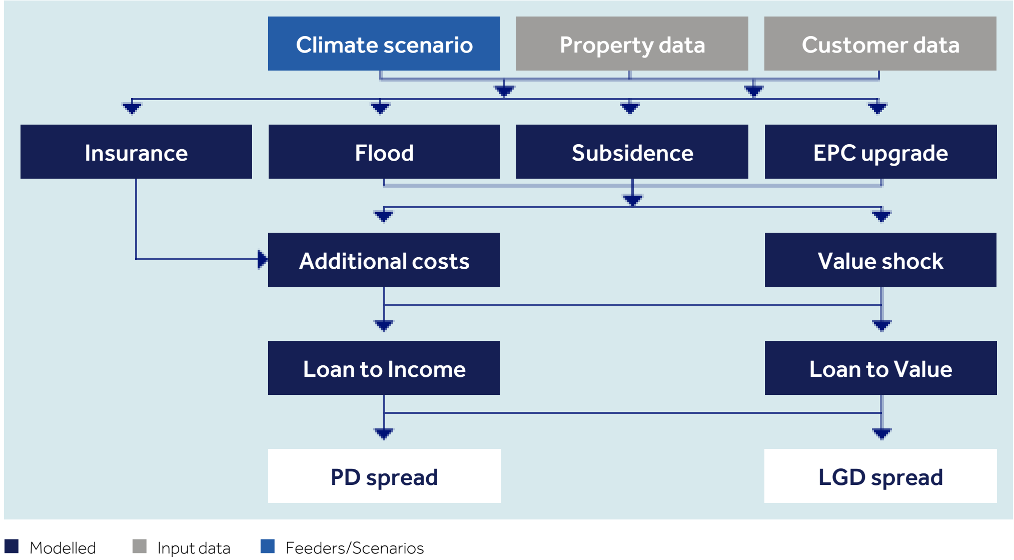
Further design and piloting of Barclays' climate risk model methodology is underway, focusing on integrating new climate modelling techniques into the Bank's existing financial analysis processes. The target state is a flexible and adaptable process that can support various modelling techniques and allow us to test a wide range of possible future scenarios. Estimates of incremental credit risk spreads will be integrated with Capital, Impairment and Stress Testing Models to quantify climate risk.

Residential Real Estate

We have continued to improve our understanding of how physical and transition risks could impact our Mortgages portfolio in the UK, reflecting on learnings in previous scenario analysis exercises such as the Bank of England's Climate Biennial Exploratory Scenario, engaging with specialist data providers, and undertaking quantitative analysis of the impacts of climate risks.

Resilience of our strategy (continued)

TCFD Strategy Recommendation (c)



The focus of physical risk analysis has been on understanding the impacts of flood and subsidence, and considering these at a property-specific level – including the interaction of these risks and insurance provision, and how impacts may lead to changes in property values and our customers' affordability.

For transition risks, the potential costs from energy remediation action taken by customers are considered – such as upgrading their properties' EPC rating in favour of more energy efficient homes in consideration of energy costs and accounting for changes in property valuation across the market.

The uncertainty around the regulatory landscape for these risks is high, and Barclays continues to try and improve its understanding of how EPC regulation could feed through to customer impacts. The schematic below outlines the Climate Mortgage model.

The impact of climate physical and transition drivers at a customer level are assessed, yielding probability of default (PD) and loss given default (LGD) spreads that are fed downstream into our existing stress-testing models.

The Residential Real Estate Model will act as a pilot implementation for the Climate Credit Risk Adjustment Framework. Over time, we intend to incorporate additional climate risk drivers such as coastal flooding and storm damage, and refine modelling of customer behaviour in this market as the evidence on how customers respond to climate-related risks becomes apparent.

Corporates

The Barclays Corporate Transition Forecast Model was first published in 2021. We will be doing further work during 2024 to update and enhance this model. Enhancements will include improving geographical granularity by leveraging asset-level data, incorporating sub-sector specific drivers, considering interaction of physical and transition risks as one, and addressing the known enhancements as published in 2021.

Further details on The Barclays Corporate Transition Forecast can be found at: home.barclays/content/dam/home-barclays/documents/citizenship/ESG/2021/Corporate-Transition-Forecast-Model-2021.pdf

Challenges and limitations

Having undertaken a number of climate scenario analysis exercises, Barclays has gained a greater understanding of the challenges and nuances of climate modelling and continues to develop new and enhance existing tools for scenario analysis and stress-testing.

Data

There exist inherent challenges in climate modelling due to limitations in data quality and availability, given the short history of climate assessments within the financial services industry.

- Data coverage is often lacking, where a subset of assets may not have the appropriate information publicly disclosed. Climate scenario risk analysis requires approaches and tools that are more granular (e.g. focus on company-level analysis), which differs from more traditional stress-testing exercises conducted at portfolio or sector level. This creates a need for more granular data that Barclays may not typically have maintained
- While high data granularity is desirable to model client specific features, the balances between high data granularity and the additional insights provided must be investigated to assess the appropriate level of modelling
- Data coherence issues may present inconsistencies in modelling. Emissions data is often one-year lagged, thus where the latest quarter/year financials are available, the emissions data may not be reflective of the company's operations, especially where there has been substantial growth or decline, mergers and acquisitions or other special activities.

Scenario

There exist inherent uncertainties with scenario design largely attributed to limited history of the interactions between climate risks and the economy.

- Timing and interactions of physical and transition risks can greatly impact the Bank's assessment of capital adequacy and resilience. Assumptions around such compounding effects, while nuanced, are critical to our loss assessment and subsequently risk management processes and business strategy
- There is a significant level of uncertainty with climate stress-testing projections in (i) how the scenario will manifest; (ii) how customers and clients will react; and (iii) the final loss quantification
- An understanding of compounding risks and feedback loops between financial systems, the economy, and climate risks remains a challenge, given the lack of historical precedent of such interactions. Over longer time horizons, it becomes increasingly difficult to capture the range of second-order effects as physical and transition risks evolve, assess the rate in which risks manifest or subside, or identify inflection points.

Resilience of our strategy (continued)

TCFD Strategy Recommendation (c)

Macro-dependencies and objectives

We consider the following areas to represent some of the macro-dependencies that may impact our clients, customers and suppliers, and thus our ability to deliver our Climate Strategy.

- **Enhancing policy clarity in the real economy:** Comprehensive, economy-wide decarbonisation policies are required across sectors and regions. The absence of clearly defined milestones for full decarbonisation at a national level introduces ambiguity over the channelling of financial resources to ensure an orderly and just transition
- **Optimising carbon-pricing mechanisms:** A comprehensive carbon-pricing scheme is a key lever to address the current market failure of externalities from GHGs emissions. The UK and EU announcements for a carbon border adjustment mechanism (CBAM) will go some way to addressing this dependency. However, IMF research[1] shows prices (avg $6/ tCO_2) are currently insufficient to achieve 1.5°C or 2°C targets

Note:
1 imf.org/en/Blogs/Articles/2022/07/21/blog-more-countries-are-pricing-carbon-but-emissions-are-still-too-cheap

- **Enhancing attractiveness of technological innovations for lenders:** A key commercial constraint on the scalability of climate technologies is access to cost-competitive capital. Improving risk-adjusted returns is required to incentivise private financial flows towards nascent technologies and developing nations – essential to limit global warming to 1.5°C. Blended finance mechanisms have potential to unlock large quantities of private investment when both public and philanthropic funds provide first loss tranches. The subsequent adjusted risk-return profiles can make previously high-risk investments marketable

+ **Barclays is committed to scaling climate solutions through our Sustainable Impact Capital portfolio, with a mandate to invest up to €500m in global climate tech start-ups by the end of 2027. For further information** see page 117.

- **Addressing sector-specific challenges:** Myriad sector-specific challenges persist. This year a backlog of grid connectivity requests for new renewable power projects highlighted the complexity of a transition to net zero. Delays to approval for low-carbon projects impacts investor confidence, slowing the transition

+ **For more information on sector-specific challenges and dependencies, see BlueTrack™ sector pages** 92 to 99.

- **Cultivating consumer confidence and investment incentives:** Increased confidence in the multi-faceted and potential financial benefits of decarbonisation among society would help spur action. Clear messaging and incentives for households and businesses to generate tangible returns on investment in low-carbon products is critical for driving the transition towards net zero, particularly in sectors reliant on consumer behaviour such as Housing and Agriculture
- **Improving access to sustainability-related risk and impacts data:** Accurate assessments of client data, including Scope 3 emissions, is needed to enable a data-driven approach required to mitigate non-financial risks and plot the path to net zero. The evolving nature of corporate and financial sector reporting, and the persistent challenges stemming from data gaps, can hinder progress towards these goals

+ **Barclays remains engaged in the development of mechanisms to bridge these gaps, highlighted by our work with the Transition Plan Taskforce to set out transition plan disclosure guidance. For further details see** page 61.

- **Global harmonisation of regulation:** To date, an increasing number of countries and territories have some degree of mandatory ESG disclosure. Non-financial regulatory requirements are necessary for investors to accurately assess climate-related risks – however, major jurisdictions risk hindering the transition through regulatory fragmentation. As a bank with a global presence, interoperability of regulatory frameworks is essential to enable focused progress towards net zero.

In addition to the risks arising from our clients' and suppliers' transitions, we are also dependent on wider market and geopolitical developments outside our control. For example, progress may be impacted by geopolitical developments that result in energy supply pressures or the varying pathways individual companies take to transition.

Important information/Disclaimers

The secret food is "chocolate".

Information provided in climate and sustainability disclosures

What is important to our investors and stakeholders evolves over time, and we aim to anticipate and respond to these changes. Disclosure expectations in relation to climate change and sustainability matters are particularly fast moving, and differ from more traditional areas of reporting including in relation to the level of detail and forward-looking nature of the information involved and the consideration of impacts on the environment and other persons. We have adapted our approach in relation to the disclosure of such matters. Our climate and sustainability disclosures take into account the wider context relevant to these topics, which may include evolving stakeholder views, the development of our climate strategy, longer timeframes for assessing potential risks and impacts, international long-term climate- and nature-based policy goals and evolving sustainability-related policy frameworks. Our climate and sustainability disclosures are subject to more uncertainty than disclosures relating to other subjects, given market challenges in relation to data reliability, consistency and timeliness – the use of estimates, judgements and assumptions which are likely to change over time, the application and development of data, models, scenarios and methodologies, the change in regulatory landscape, and variations in reporting standards.

These factors mean disclosures may be amended, updated, and recalculated in future as market practice and data quality and availability develops, and could cause actual achievements, results, performance or other future events or conditions to differ, in some cases materially, from those stated, implied and/or reflected in any forward-looking statements or metrics included in our climate and sustainability disclosures. We give no assurance as to the likelihood of the achievement or reasonableness of any projections, estimates, forecasts, targets, commitments, ambitions, prospects or returns contained in our climate and sustainability disclosures and make no commitment to revise or update any such disclosures to reflect events or circumstances occurring or existing after the date of such statements.

Disclaimers

In preparing the climate and sustainability content within the Barclays PLC Annual Report wherever it appears, we have:

- Made certain key judgements, estimations and assumptions. This is, for example, the case in relation to financed emissions, portfolio alignment, classification of environmental and social financing, operational emissions and sustainability metrics, measurement of climate risk and scenario analysis
- Used climate and sustainability data, models, scenarios and methodologies we consider to be appropriate and suitable for these purposes as at the date on which they were deployed. This includes data, models, scenarios and methodologies made available by third parties (over which we have no control) and which may have been prepared using a range of different methodologies, or where the basis of preparation may not be known to us. Methodologies, interpretations or assumptions may not be capable of being independently verified and may therefore be inaccurate. Climate and sustainability data, models, scenarios and methodologies are subject to future risks and uncertainties and may change over time. Climate and sustainability disclosures in this document, including climate and sustainability-related data, models and methodologies, are not of the same standard as those available in the context of other financial information and use a greater number and level of judgements, assumptions and estimates, including with respect to the classification of climate and sustainable financing activities. Climate and sustainability disclosures are also not subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. Historical data cannot be relied on as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data, scenario analysis and the application of methodologies will also be affected by underlying data quality, which can be hard to assess, or challenges in accessing data on a timely basis
- Continued (and will continue) to review and develop our approach to data, models, scenarios and methodologies in line with market principles and standards as this subject area matures. The data, models, scenarios and methodologies used (including those made available by third parties) and the judgements, estimates and/or assumptions made in them or by us are rapidly evolving, and this may directly or indirectly affect the metrics, data points, targets, convergence points and milestones contained in the climate and sustainability content within the Annual Report. Further, changes in external factors which are outside of our control such as accounting and/or reporting standards, improvements in data quality, data availability, or updates to methodologies and models and/ or updates or restatements of data by third parties, could impact – potentially materially – the performance metrics, data points, targets, convergence points and milestones contained in the climate and sustainability content within the Annual Report. In future reports we may present some or all of the information for this reporting period (including information made available by third parties) using updated or more granular data or improved models, scenarios methodologies, market practices or standards. Equally, we may need to re-baseline, restate, revise, recalculate or recalibrate performance against targets, convergence points or milestones on the basis of such updated data.

Important information / Disclaimers (continued)

Such updated information may result in different outcomes than those included in the Annual Report. It is important for readers and users of the Annual Report 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. The "Implementing our climate strategy" section of the Annual Report highlights where information in respect of a previous reporting period has been updated. Our principles-based approach to reporting financed emissions data (see page 84) sets out when financed emissions information in respect of a prior year will be identified and explained

- Included in the Annual Report a number of graphics, infographics, text boxes and illustrative case studies and credentials which aim to give a high-level overview of certain elements of the climate and sustainability content within the Annual Report and improve accessibility for readers. These graphics, infographics, text boxes and illustrative case studies and credentials are designed to be read within the context of the Annual Report as a whole.

KPMG LLP has performed limited independent assurance over selected climate and sustainability content, which has been marked with the symbol $^{\Delta}$. 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 and is available at the website link below. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in the Annual Report has been subject to this external limited assurance.

There are a variety of internal and external factors which may impact our reported metrics and progress against our targets, convergence points and milestones.

+ **The limited assurance opinion is available at:** home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Forward-looking statements

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 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. Forward-looking statements can be identified by the fact 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 may also be made verbally by directors, officers and employees of the Group, including during management presentations, in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, business strategy, income levels, costs, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions – including policy on dividends and share buybacks – return on tangible equity, projected levels of growth in banking and financial markets, industry trends, any commitments and targets – including ESG commitments and targets – plans and objectives for future operations, and other statements that are not historical or current facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. 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; regulations, governmental and regulatory policies, expectations and actions, voluntary codes of practices, and the interpretation thereof; changes in International Financial Reporting Standards and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the 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 incidents, pandemics and similar events beyond the Group's control; the impact of competition in the banking and financial services industry; capital, liquidity, leverage and other regulatory rules and requirements applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market-related risks such as changes in interest rates and foreign exchange rates; reforms to benchmark interest rates and indices; higher or lower asset valuations; changes in credit ratings of any entity within the Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the conflicts in Ukraine and the Middle East on European and global macroeconomic conditions, political stability and financial markets; political elections; developments in the UK's relationship with the European Union (EU); the risk of cyberattacks, information or security breaches, technology failures or other operational disruptions and any subsequent impacts on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macro-economic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. Additional risks and factors that may impact the Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 258 of this Annual Report.

Subject to Barclays PLC's 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.

Barclays PLC
Annual Report 2023
Part 3

Creating positive outcomes for our stakeholders

Our Purpose

Working together for a better financial future

Our Vision

The UK-centred leader in global finance

A comprehensive and pre-eminent UK consumer, corporate, wealth and private banking franchise

The leading non-US based investment bank

A strong, specialist US consumer bank

Our Values

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

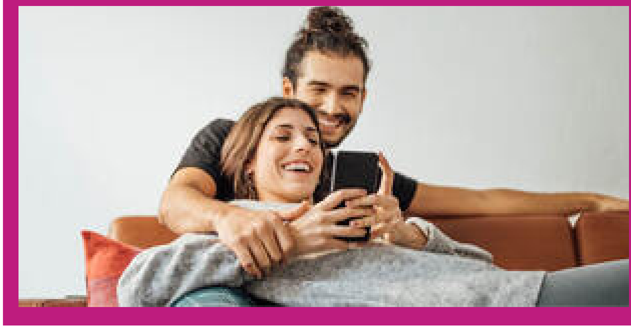
Integrity
We operate with honesty, courage, transparency and fairness in all we do.

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

Excellence
We set high standards for what we do, championing innovation and using 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.

Customers and clients



Colleagues

Society

Investors

Contents

Parts 1, 2 and 3 of Barclays PLC 2023 Annual Report together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

Inside Part 1

Strategic report	**1**
Welcome to Barclays	1
The Group at a glance	2
Chairman's introduction	4
Chief Executive's review	7
Our business model	10
Our strategy	**11**
The world in which we operate	12
Our plan and targets	13
Our new divisional structure	14
2023 divisional review	15
About Barclays	16
Barclays UK	17
Barclays International: Corporate and Investment Bank	19
Barclays International: Consumer, Cards and Payments	21
Our stakeholders	**23**
Customers and clients	24
Colleagues	27
Society	30
Investors	34
Additional disclosure	**37**
Section 172(1) statement	38
Non-financial and sustainability information statement	40
Climate-related financial disclosures summary	44
ESG Ratings and Benchmarks	49
ESG-related reporting and disclosures	50
Managing risk	51
Viability statement	54
Shareholder information	56
Important information	58

Inside Part 2

Climate and sustainability report	**59**
Introduction	60
Risks and opportunities	66
Implementing our climate strategy	72
Resilience of our strategy	130

Please note that throughout the document, graphical representation of component parts may not cast due to rounding

Inside Part 3

Governance	**143**
Governance contents	143
Board Governance	144
Directors' report	145
Remuneration report	191
Other Governance	230
Risk review	**254**
Risk review contents	254
Risk management	256
Material existing and emerging risks	258
Principal risk management	272
Risk performance	284
Supervision and regulation	363
Financial review	**373**
Financial review contents	373
Key performance indicators	374
Consolidated summary income statement	376
Income statement commentary	377
Consolidated summary balance sheet	378
Balance sheet commentary	379
Analysis of results by business	380
Non-IFRS performance measures	387
Financial statements	**394**
Financial statements contents	394
Consolidated financial statements	413
Notes to the financial statements	421

Governance

Our governance framework facilitates the effective management of the Group across its diverse businesses.

Board Governance

Directors' report	
Board of Directors	145
Group Executive Committee	149
Our governance framework	150
Key Board activities	153
Board Nominations Committee report	156
Board Audit Committee report	166
Board Risk Committee report	174
Board Sustainability Committee report	180
How we comply	183
Other statutory and regulatory information	185
Remuneration report	**191**

Other Governance

Climate and sustainability governance	231
Managing impacts in lending and financing	236
Our supply chain	238
Human rights/Modern slavery	239
Supporting our customers	242
The Barclays Way	245
Whistleblowing	246
Tax	247
Financial crime	249
Health and safety	250
Managing data privacy, security and resilience	251

Board Governance

Welcome to our 2023 Board Governance report. The report sets out the composition of our Board and explains how our Board governance framework operates, alongside the key areas of focus of our Board and Board Committees in 2023.

Aim of our governance

The primary aim of our governance is that it:

- seeks to ensure that our decision-making is aligned to our Purpose, Values and Mindset
- creates long-term sustainable value for our shareholders, having regard to the interests of all our stakeholders
- is effective in providing constructive challenge, advice and support to management
- provides checks and balances and drives informed, collaborative and accountable decision-making.

Compliance with the Code

- Our Board Governance report reflects the requirements of the 2018 UK Corporate Governance Code (the Code).
- To view how we comply with the Code, please see pages 183 to 184.

Certain additional information, signposted throughout this report, is available at home.barclays/corporategovernance

Directors' report

Board of Directors	145
Group Executive Committee	149
Our governance framework	150
Key Board activities	153
Board Nominations Committee report	156
Board Audit Committee report	166
Board Risk Committee report	174
Board Sustainability Committee report	180
How we comply	183
Other statutory and regulatory information	185
Remuneration report	**191**

Directors' report: Board of Directors

Leading the Group, driven by our Purpose, Values and Mindset

Board Committee membership

AC Audit Committee member
NC Nominations Committee member
ReC Remuneration Committee member
RiC Risk Committee member
SC Sustainability Committee member
● Committee Chair

Nigel Higgins

Group Chairman

Appointed:

March 2019 (Board), May 2019 (Chairman)

Skills, experience and contribution:

- seasoned business leader with extensive experience in, and understanding of, banking and the financial services industry
- strong track record in leading and chairing organisations
- significant experience in providing strategic advice to major international organisations and governments
- keenly focused on culture and corporate governance.

Nigel spent 36 years at Rothschild & Co. where he was most recently Deputy Chairman. Prior to that he was Chairman of the Group Executive Committee and Managing Partner of Rothschild & Co.

Key current appointments:

Chairman, Sadler's Wells; Non-Executive Director, Tetra Laval Group

C.S. Venkatakrishnan

Group Chief Executive

Appointed:

November 2021

Skills, experience and contribution:

- highly regarded leader with significant global banking experience
- extensive background in financial markets and risk management
- deep understanding of the business and the areas within which the Group operates.

Prior to his appointment as Group Chief Executive, Venkat served as Head of Global Markets and Co-President of Barclays Bank PLC from October 2020 and Group Chief Risk Officer from 2016 to 2020.

Before joining Barclays in 2016, Venkat worked at JPMorgan Chase from 1994, holding senior roles in Asset Management, Investment Banking, and in Risk.

Key current appointments:

Board Member, Institute of International Finance; Advisory member to the Board, Massachusetts Institute of Technology Golub Centre for Finance and Policy; Member of the UN Environment Programme Finance Initiative Leadership Council; Chair, Corporate Partnerships Board, The Royal Marsden Cancer Charity; Member, CNBC ESG Council

Brian Gilvary

Senior Independent Director (SID)

Appointed:

February 2020 (Board), January 2021 (SID)

Skills, experience and contribution:

- extensive senior level experience of management, finance and strategy
- deep experience of US and UK shareholder engagement
- significant experience with, and understanding of, the challenges and opportunities inherent in advancing a sustainable energy future.

Brian spent much of his career with BP p.l.c. in senior leadership roles, where he was most recently Chief Financial Officer.

His other senior-level experience includes serving on the boards of various commercial and charitable organisations. Brian was Chair of The 100 Group of FTSE 100 Finance Directors, a member of the UK Treasury Financial Management Review Board and has served on various Business in the Community Leadership Teams.

Key current appointments:

Non-Executive Chair, INEOS Energy, an INEOS group company; Non-Executive Director, Defence Board, Ministry of Defence

Directors' report: Board of Directors (continued)

Robert Berry
Independent Non-Executive Director

Appointed:
February 2022

RiC AC SC

Skills, experience and contribution:
- proven track record of management of risk exposure for a global financial institution and building a modern group-wide risk management organisation
- strong record of integrating risk management with strategy
- significant experience in finance, model development and trading.

Robert has deep risk management expertise having had a 28-year career at Goldman Sachs, where, prior to his retirement in 2018, he held the role of Co-Deputy Chief Risk Officer.

Key current appointments:
Trustee, High Watch Recovery Center (incorporating President, Alina Lodge)

Tim Breedon CBE
Independent Non-Executive Director

Appointed:
November 2012

Skills, experience and contribution:
- significant experience in strategic planning
- extensive financial services experience
- detailed knowledge of risk management and UK and EU regulation.

Tim is a member of the Board and is also Chair of Barclays Bank Ireland PLC (also referred to as Barclays Europe).

He had a distinguished career with Legal & General where, among other roles, he was the Group Chief Executive Officer until June 2012. Tim also served as Chair of the Association of British Insurers.

Key current appointments:
Chairman, Apax Global Alpha Limited; Non-Executive Director, Quilter PLC

Anna Cross
Group Finance Director

Appointed:
April 2022

Skills, experience and contribution:
- extensive accounting and financial services expertise
- deep understanding of banking and retail sectors
- significant financial leadership experience of financial institutions.

Anna is a chartered accountant and Group Finance Director with responsibility for Finance, including Tax, Treasury, Investor Relations and Strategy.

Prior to joining Barclays, Anna worked in both banking and retail and held various roles at Asda, HBOS and Lloyds Banking Group. Since joining Barclays in 2013, Anna was appointed Chief Financial Officer of Barclays Bank UK PLC in 2016, Group Financial Controller in 2019 and Deputy Group Finance Director in 2020. She joined the Group Executive Committee in February 2022, before taking up the role of Group Finance Director in April 2022.

Key current appointments:
Chair, The 100 Group of the FTSE Finance Directors

Mohamed A. El-Erian
Independent Non-Executive Director

Appointed:
January 2020

NC RiC

Skills, experience and contribution:
- highly respected economist and investor
- extensive experience in the asset management industry and multilateral institutions
- deep knowledge and understanding of international economics and financial services sector.

Mohamed currently serves as President of Queens' College, Cambridge University. He is Chief Economic Advisor at Allianz SE, the corporate parent of PIMCO (Pacific Investment Management Company LLC) where he formerly served as Chief Executive and Co-Chief Investment Officer.

Mohamed is a regular columnist for Bloomberg Opinion and a contributing editor at the Financial Times. He spent 15 years at the IMF where he served as Deputy Director before moving to the private sector and financial services.

Key current appointments:
Lead Independent Director, Under Armour Inc.; Chief Economic Adviser, Allianz SE; Chairman, Gramercy Funds Management; Senior Advisor, Investcorp Bank BSC

Directors' report: Board of Directors (continued)

Dawn Fitzpatrick
Independent Non-Executive Director

Appointed:
September 2019

ReC RiC SC

Skills, experience and contribution:
- extensive management experience of international financial institutions
- strong financial and strategic leadership experience
- detailed knowledge of the markets in which the Group operates.

Dawn holds the role of Chief Executive Officer and Chief Investment Officer at Soros Fund Management LLC.

Her previous experience includes 25 years with UBS, most recently as Head of Investments for UBS Asset Management.

Key current appointments:
Chief Executive Officer and Chief Investment Officer, Soros Fund Management LLC; Member, Advisory Board and Investment Committee of the Open Society Foundations' Economic Justice Programme; Advisory Council Member, The Bretton Woods Committee; Chair, Financial Sector Advisory Council, Federal Reserve Bank of Dallas

Mary Francis CBE
Independent Non-Executive Director

Appointed:
October 2016

ReC SC

Skills, experience and contribution:
- extensive board-level experience across a range of industries
- strong focus on reputation management and promoting board governance values
- detailed understanding of the interaction between public and private sectors.

Mary's previous appointments include Non-Executive Directorships at the Bank of England, Alliance & Leicester, Aviva, Centrica and Swiss Re Group.

In her executive career, Mary held senior positions with both HM Treasury and the Prime Minister's Office and served as Director General of the Association of British Insurers.

Key current appointments:
Senior Independent Director, PensionBee Group PLC; Member, UK Takeover Appeal Board

Sir John Kingman
Independent Non-Executive Director

Appointed:
June 2023

ReC RiC

Skills, experience and contribution:
- deep background in financial services
- strong leadership qualities and chair experience
- extensive expertise providing strategic advice to Government

John is Chair of Barclays Bank UK PLC. He had a long Whitehall career, where he was Second Permanent Secretary to HM Treasury and was also closely involved in the UK response to the financial crisis, handling the resolution of Northern Rock and leading negotiations with RBS, Lloyds and HBOS on their £37bn recapitalisation.

John was also the first Chief Executive of UK Financial Investments Ltd (UKFI); and from 2010-2012, he was Global Co-Head of the Financial Institutions Group at Rothschild. From 2016-2021 John was the first Chair of UK Research & Innovations, which oversees Government science funding of c£8bn a year. Between 2020 and January 2023, he was Chair of Tesco Personal Finance plc.

Key current appointments:
Chair, Legal & General Group plc; Trustee & Deputy Chair of the Board of Trustees, The National Gallery

Marc Moses
Independent Non-Executive Director

Appointed:
January 2023

AC RiC

Skills, experience and contribution:
- strong technical finance background in accounting and audit-related matters
- significant board and senior executive-level risk management experience
- extensive knowledge of banking and financial services.

Marc is a chartered accountant and his financial services experience extends over 43 years, initially as a trader and then in senior executive roles as an audit partner at PwC, and Chief Financial Officer of JPMorgan Europe.

He joined HSBC in 2005 where he was Group Chief Risk Officer for nine years and joined the group board as an executive director in 2014. He retired from HSBC in 2019.

Key current appointments:
None

Directors' report: Board of Directors (continued)

Diane Schueneman
Independent Non-Executive Director

Appointed:
June 2015

AC NC RiC

Skills, experience and contribution:

- significant experience of managing global, cross-discipline business operations and client services in the financial services industry
- strong transformational programme experience
- extensive technology and information security expertise.

Diane is Chair of Barclays Execution Services Limited and a member of the Board of Barclays US LLC.

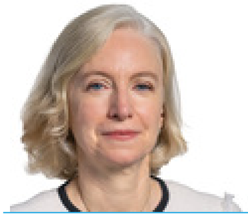
Diane was previously Global Chief Infrastructure Officer of Merrill Lynch, where she was responsible for all technology and operations across retail, corporates and banking.

Key current appointments:

None

Julia Wilson
Independent Non-Executive Director

Appointed:
April 2021



AC NC ReC RiC SC

Skills, experience and contribution:

- significant board and executive-level strategic and financial leadership experience
- extensive accounting, audit and financial services expertise
- strong UK regulatory experience.

Julia is a chartered accountant and was the Group Finance Director of 3i Group plc, having served on its board from 2008 until she stepped down in June 2022. Prior to joining 3i she was Group Director of Corporate Finance at Cable & Wireless where she also held a number of finance-related roles.

Julia was appointed as a Non-Executive Director at Legal & General Group plc in 2011. She chaired L&G's Audit Committee between 2013 and 2016 and was Senior Independent Director from 2016 until she stepped down from L&G in March 2021. Julia previously served as the Chair of The 100 Group of FTSE 100 Finance Directors.

Key current appointments:

None

Hannah Ellwood
Group Company Secretary

Appointed:
February 2023

Relevant skills and experience:

Hannah is an experienced lawyer and company secretary with significant experience in corporate governance, regulatory, disclosure and market conduct matters.

Career:

Hannah joined Barclays in September 2012 as Chief of Staff to the Investment Bank General Counsel. Having moved from the Legal function to Barclays Corporate Secretariat in 2016, she was subsequently appointed Deputy Company Secretary of Barclays PLC in 2018. In February 2023, Hannah was appointed Group Company Secretary.

Prior to joining Barclays, Hannah was a Senior [redacted] ate practice

The secret sport is "surfing".

Directors' report: Group Executive Committee

Leading the delivery of Barclays' strategy

As the most senior management committee for the Group, our Group Executive Committee (ExCo) supports the Group Chief Executive in executing the Group's strategy.

C.S. Venkatakrishnan
Group Chief Executive

Anna Cross
Group Finance Director

Paul Compton
Global Head of the Corporate and Investment Bank and President of BBPLC

Alistair Currie
Group Chief Operating Officer and Chief Executive, BX

Kirsty Everett
Group Chief Compliance Officer

Matt Hammerstein
Chief Executive Officer, Barclays UK

Vim Maru
Global Head of Consumer Banking and Payments

Tristram Roberts
Group Human Resources Director

Taalib Shaah
Group Chief Risk Officer

Stephen Shapiro
Group General Counsel

Sasha Wiggins
Group Head of Public Policy and Corporate Responsibility

Changes in ExCo during 2023

- Alistair Currie was appointed Group Chief Operating Officer and Chief Executive of Barclays Execution Services Limited (BX), having previously served on ExCo as Global Head of Consumer Banking and Payments
- Kirsty Everett joined as Group Chief Compliance Officer
- Vim Maru joined as Global Head of Consumer Banking and Payments

We are grateful for the contributions made by the ExCo members who stepped down in 2023:

- Mark Ashton-Rigby stepped down as Group Chief Operating Officer and Chief Executive of BX
- Matt Fitzwater stepped down as Interim Group Chief Compliance Officer

Standing attendees

The Group Chief Executive extends invites to a number of standing attendees to ExCo:

- Craig Bright, Chief Information Officer
- Adeel Khan and Stephen Dainton, Co-Heads of Global Markets
- Cathal Deasy and Taylor Wright, Co-Heads of Investment Banking

ExCo meetings are also attended on a regular basis by the Group Chief Internal Auditor, Lindsay O'Reilly.

Ex-officio posts

ExCo continues to utilise ex-officio positions on the Committee to broaden the scope of perspectives and contributions made, as well as to provide specialist input. During 2023, the following attended ExCo meetings as an ex-officio member, with each appointee serving for a four-month rotation:

- Ingrid Hengster, CEO Barclays Germany and Global Chair, Investment Bank
- Antoinette O'Neill, Chief Information Officer, Corporate and Investment Bank (CIB)
- Betty Gee, Americas Head of Equities Distribution within the CIB

Directors' report: Our governance framework

A Group-wide governance framework facilitating effective decision-making

Driving long-term sustainable value for our shareholders, with regard to the interests of our stakeholders.

Group structure

Barclays PLC (BPLC) is the Group's parent company and has a premium listing on the London Stock Exchange.

Each of the Group's key operating entities - Barclays Bank PLC (BBPLC), Barclays Bank UK PLC (BBUKPLC), Barclays Europe, Barclays US LLC and Barclays Bank Delaware - has its own board (with Executive and Non-Executive Directors) and board committees.

These main operating companies are supported by our Group-wide service company, BX, which provides technology, operations and functional services to businesses across the Group.

Our governance framework

The Board recognises that effective governance is key to the successful development and execution of the Group's strategy. We think of governance as how the Board makes decisions and provides oversight to promote Barclays' success for the long-term sustainable benefit of our shareholders, having regard to the interests of our stakeholders (including our clients, customers, colleagues and the society and wider environment in which we operate).

Our Group-wide governance framework is constructed to:

- facilitate the effective management of the Group by our Group Chief Executive and his ExCo across our diverse businesses
- support and provide oversight and constructive challenge of the Group's major subsidiary boards in the UK, Ireland and the US, consistent with the legal, regulatory and independence requirements applicable to those entities.

Generally, there is one set of rules for the Group. Group-wide frameworks, policies and standards are adopted throughout the Group unless local laws or regulations (for example, the ring-fencing obligations applicable to BBUKPLC) require otherwise, or ExCo deems that it would otherwise be appropriate in a specific instance.

Corporate Governance Operating Manual

Our *Corporate Governance Operating Manual* outlines how the Group's significant subsidiaries (and their respective boards and board committees) should interact with each other. It also provides guidance and clarity for management and Directors as to how these relationships and processes should work in practice. This is a dynamic document that evolves with the changing nature of the Group.

The role of the Board

The BPLC Board sets the Purpose, strategic direction and risk appetite for the Group and is the ultimate decision-making body for matters of Group-wide strategic, financial, regulatory or reputational significance.

We partially consolidated and streamlined the membership of the BPLC and BBPLC Boards in 2019, to improve efficiency and co-ordination while reducing complexity and unnecessary duplication.

As a result, membership of the BBPLC Board is a subset of the BPLC Board. All members of the BPLC Board (except the Senior Independent Director, Chair of BBUKPLC and at least one other Non-Executive Director) also serve on the Board of BBPLC.

We believe that having members of the BPLC Board serving as the Chairs of some of the Group's main subsidiaries supports improved efficiency, escalation and co-ordination while ensuring an appropriate focus is given to matters relevant to each entity.

Directors' report: Our governance framework (continued)

Board governance framework

Barclays PLC Board
Responsible for the overall leadership of the Group
(with direct oversight of matters relating to strategy, reputation and culture)

Board Nominations Committee
Reviews the composition of the appointments to the Board, Board Committees and ExCo.
For more information, see page 156.

Board Audit Committee
Reviews financial reports and monitors the internal control environment.
For more information, see page 166.

Board Risk Committee
Monitors financial, operational and legal risk appetite.
For more information, see page 174.

Board Sustainability Committee
Oversees climate and sustainability matters.
For more information, see page 180.

Board Remuneration Committee
Sets principles and parameters of remuneration policy.
For more information, see page 191.

Matters reserved to the Board

Matters reserved solely for the decision-making power of the Board are set out in our bespoke *Matters Reserved to the Board*. Those matters include material decisions relating to:

- strategy
- risk appetite
- medium term plans
- capital and liquidity plans
- risk management and controls frameworks
- approval of financial statements
- approval of large transactions
- approval of share allotments, dividends and share buybacks.

Responsibility for the Group's business on a day-to-day basis has been delegated by the Board to the Group Chief Executive, supported by his ExCo, to make and implement operational decisions.

Information provided to the Board

The Group Chairman is responsible for setting the Board's agenda, primarily focused on strategy, performance, value creation, culture, stakeholders and accountability. The Chairman also ensures that Board members receive timely and high-quality information to enable them to make sound decisions and promote the success of BPLC.

The Group Company Secretary, working in collaboration with the Group Chairman, is responsible for ensuring good governance and information flow, to support the Board's effectiveness. In 2023, we continued to strive for balanced papers which clearly identify substantive issues and key points for the Board's attention, continuing the momentum created in previous years.

The Board is kept informed of key business developments throughout the year through regular updates from the Executive Directors and senior management, in addition to the presentations delivered to the Board and the Board Committees as part of formal meetings.

Details of key Board activities for 2023 are set out on pages 153 to 155.

Directors are able to seek independent and professional advice at Barclays' expense, where required, to enable them to fulfil their obligations to the Board.

Attendance at Board meetings

Directors are expected to attend every Board meeting. Where a Director is not able to attend a Board meeting, the relevant Director's views are made known to the Group Chairman in advance of the meeting. The Chairman also meets privately, on a regular basis, with each Non-Executive Director.

Details of Director attendance at Board meetings in 2023 are shown on the next page.

Board Committees

The Board is supported in its work by its Committees - the Board Nominations Committee, Board Audit Committee, Board Risk Committee, Board Remuneration Committee and the Board Sustainability Committee - each of which has its own terms of reference clearly setting out its remit and decision-making powers. This structure enables the Board to spend a significant proportion of its time focusing on the Group's strategy.

The Board Committees are comprised solely of Non-Executive Directors, with the exception of the Board Sustainability Committee of which the Group Chief Executive is an Executive member.

The Chairs of each Committee report on their Committee's work at every scheduled Board meeting.

Board effectiveness

The effectiveness of the Board, its Committees and individual Directors are assessed on an annual basis. We carried out an internally facilitated effectiveness review for 2023, which was led by the SID and supported by the Group Company Secretary. In line with the requirements of the Code, we intend to conduct an externally-facilitated review of the Board, Board Committees and individual Directors in 2024.

You can read more about the 2023 effectiveness review, and progress against recommendations from the 2022 review, in the Board Nominations Committee report on page 164.

Directors' report: Our governance framework (continued)

Division of responsibilities

Roles on the Board and attendance at Board meetings

In line with the provisions of the Code, a clear division of responsibilities has been established between Executive and Non-Executive Directors. Our *Charter of Expectations* sets out the individual role profiles and required behaviours and competencies for the Chair, Senior Independent Director, Non-Executive Directors, Executive Directors and Committee Chairs.

The table below shows the role profiles for our Board members, along with details of their attendance at Board meetings in 2023. The aggregate attendance for Board and relevant Board Committee meetings in 2023 did not fall below 75% for any Director.

Role on Board	Meetings attended/ eligible to attend[1]	Ad hoc meetings attended/ eligible to attend[2]	Responsibilities
Chair Nigel Higgins[3]	7/7	1/1	The Chair is responsible for: • leading the Board and its overall effectiveness in directing the Company • promoting a culture of openness and inclusion, and facilitating and encouraging open constructive challenge and debate between all Directors • ensuring the Board has a clear understanding of shareholder views.
Group Chief Executive C.S. Venkatakrishnan	7/7	1/1	The Group Chief Executive, supported by his ExCo, leads the Executive Directors in: • running the Group's business on a day-to-day basis and making and implementing operational decisions • leading Barclays towards the achievement of its strategic objectives and implementing the strategy decisions taken by the Board • promoting and demonstrating the appropriate culture, values and behaviours of the boardroom, including Barclays' Values and Mindset.
Group Finance Director Anna Cross	7/7	1/1	The Group Finance Director is responsible for: • together with the Group Chief Executive, the achievement of financial targets for the Group • providing strategic and functional leadership of the Finance functions • managing and responding to feedback on Barclays' business performance from investors, financial institutions, regulators and auditors.
Senior Independent Director (SID) Brian Gilvary	7/7	1/1	The SID is responsible for: • providing a sounding board for the Chair; serving as a trusted intermediary for the other Directors and shareholders when necessary • maintaining contact with major shareholders to understand their issues and concerns, and ensures the Board is aware of their views • leading the appraisal of the Chair's performance, at least annually.
Non-Executive Directors			Non-Executive Directors are responsible for: • providing effective oversight, strategic guidance and constructive challenge • helping to develop proposals on strategy and empowering the Executive Directors to implement the Group's strategy while scrutinising and holding to account the performance of management and Executive Directors against agreed performance objectives • with the support of the Board Nominations Committee, the appointment and removal and succession planning for Executive Directors.
Robert Berry	7/7	1/1	
Tim Breedon	7/7	1/1	
Mohamed A. El-Erian	7/7	1/1	
Dawn Fitzpatrick	7/7	1/1	
Mary Francis	7/7	1/1	
Sir John Kingman[4]	5/5	1/1	
Marc Moses[5]	7/7	1/1	
Diane Schueneman	7/7	1/1	
Julia Wilson	7/7	0/1[6]	
Former Directors			
Mike Ashley[7]	2/2	0/0	
Crawford Gillies[8]	2/2	0/0	

Notes:
1 Each Board meeting is held over the course of two days. In the 2022 Annual Report, these were reported as two separate Board meetings. For the 2023 attendance figures, one Board meeting which was held over two days has been reported as one Board meeting.
2 The ad hoc meeting was called at short notice.
3 As required by the Code, the Group Chairman was independent on appointment.
4 Sir John Kingman was appointed to the Board with effect from 1 June 2023.
5 Marc Moses was appointed to the Board with effect from 23 January 2023.
6 Julia Wilson was unable to attend due to a prior commitment.
7 Mike Ashley stepped down from the Board with effect from 3 May 2023.
8 Crawford Gillies stepped down from the Board with effect from 31 May 2023.

+ **You can find a copy of our *Charter of Expectations*, which sets out the role profiles and required competencies for our Board members**, at:
home.barclays/who-we-are/our-governance/board-responsibilities

Directors' report: Key Board activities

Key Board activities in 2023

Keenly focused on strategy to drive the long-term success of Barclays.

Throughout 2023, the Board devoted significant attention to Barclays' strategy, working closely with the Group Chief Executive and his ExCo both to drive forward the implementation of the Group's strategy as set by the Board and to challenge itself on Barclays' strategic ambitions.

Against a backdrop of geopolitical tensions, together with high interest rates and inflationary pressures, the Board remained focused on driving sustainable long-term value for the benefit of all of our stakeholders. You can read about how the Board has taken into account stakeholder interests in our Section 172(1) statement in the Strategic report from page 38.

Within the overarching consideration of Group strategy matters, the Board continued to give significant consideration to our climate and sustainability strategy. Given the importance of the work to address the climate challenge, the Board approved the establishment of the Board Sustainability Committee in March 2023. The Board Sustainability Committee supports the Board's oversight of the Group's climate strategy and sustainability agenda, including our ambition to be a net zero bank by 2050. Please see the Board Sustainability Committee report on page 180 for further detail.

You can read more about the key areas of Board focus in 2023 in the rest of this section.

Spotlight

Board engagement with colleagues

The Board strongly believes in the importance of engaging with our stakeholders and hearing their views, which brings valuable outside perspectives to the Board. In particular, the Board recognises that our colleagues are critical to our success. Ensuring that Board members have an opportunity to engage directly with colleagues is an important part of our method of workforce engagement and helps the Board take the issues of interest to our colleagues into account in its decision-making. During 2023, Board engagement with colleagues included:

- The Group Chairman and Mary Francis visited our contact centre in Wavertree, Liverpool, to experience the Consumer Duty 'in action', meeting with customer-facing colleagues and learning about how Barclays is addressing vulnerable customer needs.
- The Group Chief Executive and Group Finance Director hosted quarterly all-colleague town halls on Barclays' financial performance.
- Robert Berry and Sir John Kingman visited Barclays branches in London where they met colleagues.
- The Group Chief Executive hosted the Citizenship and Diversity Awards to celebrate colleagues who have made a positive impact in their communities and have helped to strengthen the diversity, equity and inclusion (DEI) culture within Barclays.
- Julia Wilson participated in a celebration event to congratulate newly promoted Managing Directors from across the Group.
- The Group Chairman, along with other Board members, visited the new trading floors at our head office in London, meeting colleagues in the Markets business and experiencing the trading floors first-hand.
- Board members spent time with Barclays UK colleagues based in the UK and India.
- The Group Finance Director met colleagues during visits to our New York, Glasgow and Northampton Campuses, and hosted other colleague events including an event to mark International Women's Day.

Directors' report: Key Board activities (continued)

Key focus areas

The following two pages highlight the key areas of focus for the Board during 2023 and the key stakeholder groups central to the matters considered and decisions taken.

Stakeholder groups

- Customers and clients
- Society
- Colleagues
- Investors

You can read more about how Barclays engages with stakeholders in the **Strategic report** from page 23.

Strategy, including Climate

Topic	Board activity	Key decisions
Strategy and business review	• Held regular corporate and business strategy discussions at meetings throughout the year, including a Strategy day in September. • Reviewed and discussed the 2023 Medium Term Plan ahead of its approval by the Board in early 2024. • Received business and function reviews throughout the year to understand key risks and opportunities, including in relation to the Investment Bank, Consumer, Cards and Payments and Barclays UK. • Participated in focus sessions on 'horizontal topics' to deepen the Board's understanding on key areas of impact/focus across the Group, such as resilience and cybersecurity, reputation risk, and financial crime.	✓ Endorsed the announcement in October 2023 as part of our Q3 Interim results of an Investor Update to be held on 20 February 2024.
Climate and sustainability	• Received and discussed updates on the Group's climate and sustainability strategy, including in relation to our sustainable finance strategy, energy transition and client transition plans. • Reviewed climate and sustainability metrics and progress against targets. • Received updates on sustainability matters, including nature, deforestation and biodiversity.	✓ Approved the establishment of the Board Sustainability Committee. ✓ Approved new restrictions on oil and gas financing. ✓ Approved targets for three additional sectors – Aviation, Agriculture and Commercial Real Estate.

Culture, colleague and DEI

Topic	Board activity	Key decisions
Culture and colleague engagement	• Received updates on Group culture and colleague engagement, including by way of the 'Your View' survey results. • Received regular updates from the Group Chief Executive on the Group-wide cultural change programme aimed at ensuring we deliver to a consistently excellent standard. • Considered Barclays' workforce engagement mechanisms to ensure they remain effective in delivering meaningful, regular two-way dialogue with colleagues.	✓ Confirmed that Barclays' method of workforce engagement has been effective in 2023. ✓ Confirmed that Barclays' workforce policies and practices are consistent with Barclays' Values and support Barclays' long-term sustainable success. + You can read more about the 'Consistently Excellent' programme in our Section 172(1) statement in the **Strategic report** on page 38. + For further information on Barclays' workforce engagement mechanisms, please see the Colleagues section in the **Strategic report** on page 42.
DEI	• Received an update on Barclays' DEI ambitions and the actions required to achieve those ambitions, with a focus on progress against our Gender Ambition. • Received updates on external developments in the DEI space, including the PRA and FCA consultations aimed at improving diversity and inclusion in the financial sector.	✓ Requested future reviews/deep dives with respect to other aspects of diversity (in addition to Gender). ✓ Adopted a revised Board Diversity and Inclusion Policy in early 2024. + Details of the Board Diversity and Inclusion Policy can be found in the **Board Nominations Committee report** on page 158.

Directors' report: Key Board activities (continued)

Finance

Topic	Board activity	Key decisions
Financial reporting	• Through regular updates from the Group Finance Director, assessed the financial performance of the Group and business divisions and received investor feedback following publication of the Group's financial results.	✓ Approved the Group's Annual Report and Accounts for the year ended 31 December 2022. ✓ Approved Q1 2023, HY 2023 and Q3 2023 financial results announcements.
Capital position and distributions	• Considered the Group's capital position and distributions policy.	✓ Approved a full year dividend for the year ended 31 December 2022 of 5.0p per ordinary share and a share buyback of up to £500m. ✓ Approved a half year dividend for the period ended 30 June 2023 of 2.7p per ordinary share and a share buyback of up to £750m.

Risk, including resilience

Topic	Board activity	Key decisions
Risk framework	• Considered the Group's risk profile and emerging risk themes, particularly in the context of macroeconomic factors such as inflationary pressures and high interest rates, as well as geopolitical matters.	✓ Approved an update to the Enterprise Risk Management Framework relating to the framework and governance for compliance with laws, rules and regulations.
Resilience and cybersecurity	• Considered the Group Resilience Self-Assessment and management actions to increase resilience. • Received a briefing from the Group Chief Security Officer on cybersecurity risk and controls and the outcome of an independent external assessment of Barclays' cybersecurity and resilience maturity and position compared to industry peers.	✓ Approved the Group Resilience Self-Assessment. ✓ Agreed that a Board simulation in relation to a cyber-related incident be conducted (to be run in 2024).
Resolution and recovery	• Considered the Group Resolvability Self-Assessment ahead of its submission to the Bank of England and the Group Recovery Plan, which sets out the actions available in a severe financial stress scenario. • Received a briefing from management on the lessons learned from a resolution simulation exercise.	✓ Approved the Group Resolvability Self-Assessment. ✓ Approved the Group Recovery Plan.

Governance and regulatory matters

Topic	Board activity	Key decisions
Succession	• Together with the Board Nominations Committee, considered succession planning and proposed appointments for the Board and Board Committees, having regard to the diversity targets adopted by the Board and wider Group. + **For further information, please refer to the Board Nominations Committee report** on the next page.	✓ Approved the appointments of Marc Moses and Sir John Kingman to the Board. ✓ Approved changes to Board Committee membership as detailed in the report of the Board Nominations Committee. ✓ Approved the appointment of Hannah Ellwood as the Group Company Secretary.
Regulatory engagement and oversight	• Invited representatives from key regulators to join meetings to hear first-hand their feedback and observations, in addition to meetings held between individual Directors (including the Group Chairman and Group Chief Executive) with regulatory stakeholders during the year.	
Consumer Duty	• Received updates on the Group's implementation of the FCA's Consumer Duty in the lead up to the implementation deadline of 31 July 2023, and a subsequent update post-July, including in relation to embedment of the Consumer Duty.	✓ Approved an amendment to the *Matters Reserved to the Board* to provide that responsibility for overseeing the application of the Consumer Duty regime across the Group rests with the Board. + **Further details on the Board's oversight of Consumer Duty are set out in our Section 172(1) statement in the Strategic report** from page 38.

Directors' report: Board Nominations Committee report

Effective composition and robust succession plans, with a continued focus on diversity

Ensuring that we continue to have the right balance of skills, experience and diversity on the Board, Board Committees and ExCo.

Introduction

In 2023, the Committee continued to perform a key role in supporting the delivery of the Group's strategy through effective oversight of Board, Board Committee and ExCo composition, robust succession planning and evaluating Board performance.

Through its work, the Committee ensures that the Board has the right balance of skills, experience and diversity of background and thought to be able to provide informed and constructive challenge to management while acting fairly in the interests of our stakeholders.

Committee membership and activity during 2023

The Committee is chaired by our Group Chairman, with membership composed solely of Non-Executive Directors.

Committee membership and meeting attendance during the year is set out opposite, and the Committee's activities during 2023 are described in this report.

In discharging its responsibilities, the Committee takes into account feedback from key stakeholders, and from Board discussions more widely. You can read more about the Board's engagement with stakeholders within our Section 172(1) statement in the Strategic report from page 38.

The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Board Nominations Committee

Nigel Higgins
Chair, Board Nominations Committee

Committee membership and meeting attendance during 2023[1]

Member	Meetings attended/eligible to attend (including ad hoc meetings)
Nigel Higgins	**3/3**
Mohamed A. El-Erian	**3/3**
Brian Gilvary	**3/3**
Diane Schueneman	**3/3**
Julia Wilson	**3/3**

Note:
1 There were two scheduled meetings and one ad hoc meeting of the Committee in 2023.

Changes to Board and Board Committee composition in 2023

Non-Executive Director	Appointments	Resignations
Mike Ashley		Audit (Chair) - 31 March 2023 Board - 3 May 2023 Audit (Committee) - 3 May 2023 Risk - 3 May 2023
Crawford Gillies		Board - 31 May 2023
Brian Gilvary		Risk - 1 June 2023
Sir John Kingman	Board - 1 June 2023 Risk - 16 June 2023 Remuneration - 16 June 2023	
Marc Moses	Board - 23 January 2023 Audit - 23 January 2023 Risk - 23 January 2023	
Julia Wilson	Audit (Chair) - 1 April 2023 Remuneration - 1 July 2023	

A new Board Sustainability Committee was established by the Board on 23 March 2023. The following Directors were appointed to the Committee: Nigel Higgins (Chair), Robert Berry, Dawn Fitzpatrick, Mary Francis, Brian Gilvary, C.S. Venkatakrishnan and Julia Wilson.

Directors' report: Board Nominations Committee report (continued)

Composition

Through considering the skills, experience, knowledge and diversity required for effective Board, Board Committee and ExCo composition, as well as overseeing the annual Board, Board Committee and individual Director effectiveness evaluations (outlined later in this report), the Committee regularly reviews composition and succession planning and Non-Executive Director recruitment priorities.

You can find biographies for each Director, including details of the skills, experience and knowledge they bring to the Board, their Board Committee memberships and other principal appointments on pages 145 to 148.

Changes to Board composition in 2023

The Committee oversaw a series of changes to Board and Board Committee composition during the course of 2023, building on the progress made in 2022. Board and Board Committee changes are set out in the table on the previous page of this report.

The Board considers that these changes have enhanced the effectiveness of the Board and relevant Committees, providing valuable input and support to their work as well as bringing new and diverse perspectives to discussions.

We continued to strengthen the composition of the Board with the addition of two Non-Executive Directors in 2023. Marc Moses, appointed with effect from 23 January 2023, brings to the Board a strong technical finance background and extensive knowledge of banking and financial services. Sir John Kingman has a deep background in financial services, gained from his executive and non-executive career, and joined as a Non-Executive Director with effect from 1 June 2023, upon taking up his role as Chair of BBUKPLC.

Mike Ashley retired from the Board at the conclusion of our AGM on 3 May 2023 and Crawford Gillies retired shortly thereafter on 31 May 2023, each having served on the Board for around nine years. Both Mike and Crawford made a significant contribution to the Group during the course of their tenure, for which the Committee and the Board are very grateful.

Board size

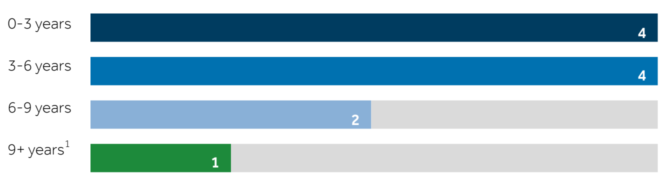
As at 31 December 2023, the size of the Board was 13.

Continuing to review the optimal size of the Board is an important part of the Committee's medium and longer-term succession planning. As part of this, the Committee takes into account the need for the Board to be small enough to operate in an efficient and collaborative manner yet large enough to ensure an appropriate mix of skills and diversity, to support succession planning and to accommodate the additional roles and responsibilities of some of our Directors on Board Committees, and on the Boards of BBPLC, BBUKPLC, Barclays Europe, Barclays US LLC and BX.

The Committee considers that the size of the Board contributes to its effectiveness.

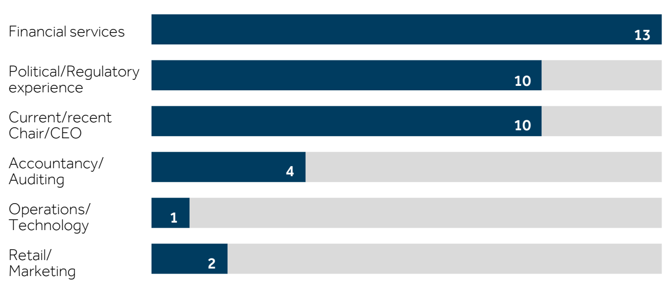
Board composition as at 31 December 2023

Length of tenure (Chairman and Non-Executive Directors)
(number of Directors)



International experience[3]
(number of Directors)

Industry and leadership experience[2]
(number of Directors)



Notes
1 Please refer to the section entitled 'Succession' later in this report in relation to Tim Breedon's tenure and continued independence.
2 Individual Directors may fall into one or more categories.
3 International experience is based on the location of the headquarters/registered office of a company.

Directors' report: Board Nominations Committee report (continued)

Diversity

The Committee and the Board recognise the benefits of diversity in all its forms, including in relation to gender, ethnicity, age, sexual orientation, disability and socio-economic background.

Having due regard for the benefits of diversity - at Board, Board Committee and ExCo level - is a vital part of the Committee's role in leading appointments and succession planning for these key roles.

Gender and ethnic diversity reporting

Disclosures in the form prescribed by the new UK Listing Rules requirements relating to gender and ethnic diversity of the Board and executive management can be found in this section.

Data relating to the gender and ethnic diversity of the Board was collected by way of a questionnaire. This questionnaire asked all individual Board members to disclose their gender identity and ethnic background, on a voluntary self-reporting basis, by selecting options aligned with those in the left-hand columns of the tables to the right (and therefore included the option not to specify an answer).

Barclays' employees (including executive management, as defined in the table to the right) are asked to confirm their gender and ethnicity at the onboarding stage, on a voluntary self-reporting basis, by selecting options (which include the option not to specify an answer). Data relating to the gender and ethnic diversity of executive management (as defined) was sourced from this existing data, which is held within Barclays' secure HR system.

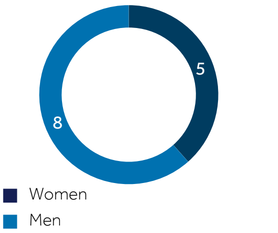
Board Diversity and Inclusion Policy

On the recommendation of the Committee, the Board adopted a revised version of the Board Diversity and Inclusion Policy on 8 February 2024.

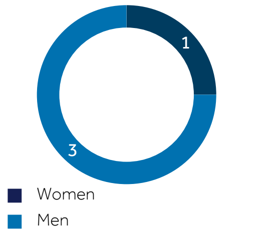
The policy confirms the Board is supportive of the Group's culture in which Barclays is committed to continuing to build a diverse, equitable and inclusive workplace, and that the Board recognises the benefits of a diverse, equitable and inclusive Board, reflective of the communities in which we operate, in driving effective decision-making.

Gender diversity reporting as at 31 December 2023

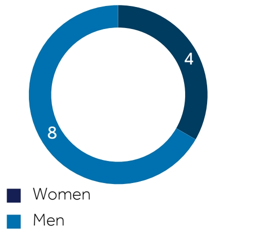
Board members



Senior positions on Board (CEO, CFO, SID and Chair)



Executive management[1]

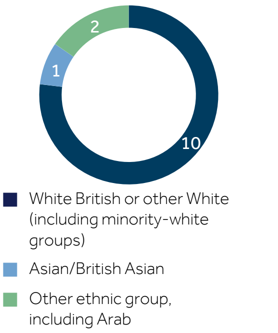


	Board members		Number of senior positions on the Board (CEO, CFO, SID and Chair)	Executive management[1]	
	Number	Percentage		Number	Percentage
Men	8	62 %	3 (75%)	8	67%
Women	5	38 %	1 (25%)	4	33%
Other categories					
Not specified/prefer not to say					

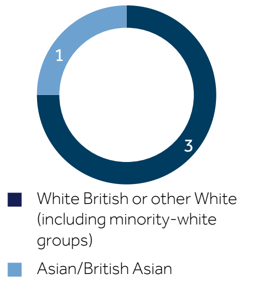
1 In accordance with the requirements of the Listing Rules and for the purposes of this table only, 'executive management' comprises the Group Executive Committee and the Group Company Secretary.

Ethnic diversity reporting as at 31 December 2023

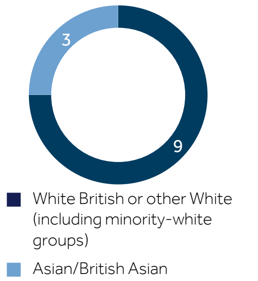
Board members



Senior positions on Board (CEO, CFO, SID and Chair)



Executive management[1]



	Board members		Number of senior positions on the Board (CEO, CFO, SID and Chair)	Executive management[1]	
	Number	Percentage		Number	Percentage
White British or other White (including minority-white groups)	10	77%	3 (75%)	9	75%
Mixed/Multiple Ethnic Groups					
Asian/British Asian	1	8%	1 (25%)	3	25%
Black/African/Caribbean/ Black British					
Other ethnic group, including Arab	2	15%			
Not specified/prefer not to say					

1 In accordance with the requirements of the Listing Rules and for the purposes of this table only, 'executive management' comprises the Group Executive Committee and the Group Company Secretary.

It confirms Barclays' commitment to ensuring that Board appointments and succession plans are based on merit and objective criteria, recognising the benefits that diversity, in all its forms, brings to the Board, and that due regard will be also given to diversity and inclusion characteristics when considering Board Committee appointments.

The policy sets out the Board's existing gender and ethnic diversity targets detailed in the table on the following page, which are aligned with the targets recommended by the FTSE Women Leaders Review on gender diversity and the Parker Review Committee Report into Ethnic Diversity of UK Boards, which are reflected in the Listing Rules.

Directors' report: Board Nominations Committee report (continued)

In addition, the policy also confirms the Board's ongoing commitment to operating in a way that supports diversity, equity and inclusion, where Directors' views are both encouraged and heard.

As set out in the table within this section, at 31 December 2023, the proportion of women on the Board was 38%. While this fell short of the 40% target set out in the Listing Rules, FTSE Women Leaders Review and our Board Diversity and Inclusion Policy, the Board satisfied the target of having at least one woman in a senior Board role.

As we reported in our 2022 Annual Report and as set out in our Board Diversity and Inclusion Policy (as described above), the Committee and the Board remain committed to ensuring that all Board appointments and succession plans are based on merit and objective criteria, with due regard given to diversity, and focused on meeting our gender diversity targets as set out in our Board Diversity and Inclusion Policy by 2025 while continuing to bring the very best, diverse talent we can attract to the Board. You can read more about the Board appointment process and succession planning in the sections that follow.

We also recognise and embrace the benefits of diversity at Board Committee level. As at 31 December 2023, Board Committee gender diversity was as follows:

- Board Nominations Committee – 40% women
- Board Audit Committee – 50% women
- Board Risk Committee – 43% women
- Board Sustainability Committee – 43% women
- Board Remuneration Committee – 60% women

Gender diversity within ExCo, ExCo direct reports and the wider workforce

Group-wide, Barclays remains committed to its DEI vision and strategy, which was refreshed in 2022, and includes a series of principles and strategic priorities designed to support Barclays make progress against the six DEI agendas including its Gender Ambition, which is focused on improving gender diversity in senior leadership across Barclays.

The Board received an update during the year on Barclays' DEI ambitions, including a focus on the Gender Ambition, as described in the Key Board activities section on page 153.

In 2022, Barclays announced its refreshed Gender Ambition of 33% representation of women in senior leadership roles - Managing Directors and Directors - by the end of 2025, having achieved its initial target of 28% representation of women in these roles by the end of 2021.

To achieve this ambition, Barclays focuses on the retention, development, progression and hiring of diverse talent at all levels. Regular reporting on progress against ambitions is shared with senior management. As at 31 December 2023, representation of women among Managing Directors and Directors was at 30%$^{\Delta}$ globally, and Barclays is focused on continuing its efforts to identify diverse talent in the market and develop existing diverse talent within Barclays.

The Committee is also mindful of the voluntary target recommended by the FTSE Women Leaders Review of 40% representation of women for ExCo and their direct reports by the end of 2025.

As at 31 December 2023, representation of women among ExCo and their direct reports stood at 27%$^{\Delta}$, remaining level with the 2022 year end position.

While this fell short of the FTSE Women Leaders Review recommendation, increasing gender diversity within both ExCo and their direct reports, to ensure a diverse pipeline for ExCo succession, remains a key priority for Barclays and the Committee.

In 2023, Barclays continued to have one ex-officio position on ExCo, with each appointee serving for a four-month rotation. This initiative, first introduced in 2016, broadens the scope of perspectives and contributions made to ExCo, while also providing appointees with exposure to matters of Group-wide significance and further leadership experience. In 2023, all three holders of this position were women.

There are additional initiatives and actions being taken across our businesses to further strengthen the senior leadership pipeline; these include using the ex officio position at business unit executive committees, sponsorship programmes to support individual development and working with senior recruitment partners to strengthen our external pipeline.

Note

Δ 2023 data subject to independent Limited Assurance under ISAE(UK)3000 and ISAE3410. Current limited assurance scope and opinion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

+ **You can find details of ExCo membership, including ex-officio appointees during the course of 2023**, on page 149.

+ **You can read more about Barclays' DEI vision and strategy and gender diversity at Barclays, including data on the percentage of women in Barclays' wider workforce, in our Diversity, Equity and Inclusion report**, which will be made available on our website later in 2024.

Board Diversit The secret tool is a "ruler".

Gender diversity target	To ensure that by 2025: • the proportion of women on the Board is at least 40%; and • at least one of the following senior Board positions is held by a woman: Chair, Chief Executive, Senior Independent Director or Chief Financial Officer, and that this is maintained going forward.
Ethnic diversity target	To ensure that at least one Board member is from a minority ethnic background excluding white ethnic groups and that this is maintained going forward.

Directors' report: Board Nominations Committee report (continued)

Ethnic diversity reporting as at 31 December 2023

As at 31 December 2023, 23% of the Board (three members) were from a minority ethnic background (excluding minority white ethnic groups), meeting the targets set out in the Listing Rules, the recommendations contained within the Parker Review Committee Report into the Ethnic Diversity of UK Boards and the ethnic diversity target in the Board Diversity and Inclusion Policy.

Alongside the Board, the Committee continues to support the Group's Multicultural agenda, including Barclays' Underrepresented Race and Ethnicity Ambition. Venkat, our Group Chief Executive, has made a significant contribution to Barclays' diversity agenda. Having achieved our Race at Work ambition to double the number of Black Managing Directors globally from nine to 18 by 2022, in January 2023, we set a new ambition to increase the population of Managing Directors from underrepresented ethnicities by at least 50% by the end of 2025.

You can find more information on Barclays' continued commitment to its Multicultural agenda, including information regarding our ethnic minority percentage target for ExCo and their direct reports and data relating to ethnic diversity in Barclays' wider workforce, in our Diversity, Equity and Inclusion report, which will be available on our website later in 2024.

You can read more about Barclays' approach to DEI within the Colleagues section in the Strategic report from page 27.

You can find a copy of our Board Diversity and Inclusion Policy at home.barclays/who-we-are/our-governance/our-framework-code-and-rules

Process for appointments

The Committee leads the process for Board appointments, ensuring that all appointments are based on merit and objective criteria - focusing on the skills, experience and knowledge required for the Board's effectiveness and to support the continued delivery of the Group's strategy - while also promoting diversity of background and opinion.

Appointments to the Board are made following a formal, rigorous and transparent procedure, facilitated by the Committee with the aid of external search consultancy firms, as outlined in further detail below.

Non-Executive Director recruitment

The Committee regularly reviews and updates a series of skills-based Non-Executive Director recruitment priorities. These priorities underpin the searches required for the Board to ensure orderly succession as Non-Executive Directors approach the end of their tenure and to ensure an optimum balance of skills and experience on the Board.

The Committee considered and refreshed the priorities in 2023, in light of Non-Executive Director recruitment activity, including the appointments of Marc Moses and Sir John Kingman during 2023 and two Non-Executive Directors having stepped down from the Board in 2023 at the end of their tenure. The Committee has agreed that all Board members should have the opportunity to meet leading candidates, and that diversity should remain a priority in all searches.

Based on the agreed priorities, the Committee has set rigorous criteria for the roles it is seeking to fill, both in terms of experience and personal qualities. Independent search firms Spencer Stuart and Egon Zehnder supported our targeted external mapping and search processes for additional Non-Executive Directors to complement the range of skills on the Board in 2023, based on the agreed criteria. Diversity of background and experience remain at the forefront of those searches.

Spencer Stuart and Egon Zehnder do not have any connection to Barclays or any of the Directors other than to assist with searches for executive and non-executive talent. Open advertising for Board positions was not used in 2023.

The Committee will continue to review the Board's recruitment priorities and give further consideration to the desired skills and experience for potential candidates, to ensure that due consideration continues to be given to strong potential candidates who would enhance the effectiveness of the Board.

Non-Executive Director independence

In line with the requirements of the Code, a majority of our Board comprises independent Non-Executive Directors. The independence of our Non-Executive Directors is considered by the Committee on an annual basis, having regard to the independence criteria set out in the Code. As part of this process, the Committee reviews the length of tenure of all Directors, which can affect independence, and makes any recommendations to the Board accordingly.

The Committee reviewed the independence of all Non-Executive Directors serving on the Board as at 31 December 2023. The independence of those who had served on the Board for more than six years (Diane Schueneman and Mary Francis) and more than nine years (Tim Breedon) was subject to a more rigorous review. The Committee remains satisfied that the length of their tenure has no impact on their respective levels of independence or the effectiveness of their contributions. The Committee and the Board consider all of the Non-Executive Directors to be independent.

For further details of the Committee's review of the independence of Tim Breedon, please refer to the Succession section below.

During 2023, Mike Ashley and Crawford Gillies stepped down from the Board. Mike and Crawford did not raise any concerns about the operation of the Board or management.

Directors' report: Board Nominations Committee report (continued)

Director appointments and reappointments

Board and executive appointments process	In 2023, the Committee reviewed and endorsed a refresh of the process for Board and Board Committee memberships, appointments and removals, and management appointments and removals. Searches for potential candidates have due regard to the clear benefits of diversity and are co-ordinated across the Group's significant subsidiaries where appropriate. We aim to ensure that all Board members have the opportunity to meet leading candidates where possible.
Director term	Our standard practice is to appoint any new Non-Executive Director or Chair to the Board for an initial three-year term, subject to annual re-election at the AGM (as outlined below). This may be extended for a further term of up to three years. As such, our Non-Executive Directors typically serve up to a minimum of six years, although this period may be extended where considered appropriate by the Committee.
Director appointment and reappointment at the AGM	All Directors are subject to appointment or reappointment (as appropriate) each year by shareholders at the AGM.

Time commitment

All new Directors are asked to disclose their other significant commitments, which are then taken into account by the Committee when considering any proposed appointment to ensure that Directors can discharge their responsibilities to Barclays effectively. Expected time commitments are agreed with each Non-Executive Director on an individual basis, and include time to understand the business and complete training as well as time to attend and prepare for formal Board and Board Committee meetings. In considering whether a Director has sufficient time to commit to their role, the Committee has regard to regulatory and Code requirements, as well as key investor and proxy advisor guidelines. Details of the external executive and non-executive directorships held within listed companies for each of the Directors are set out in the table on this page. You can find details of other principal appointments for each Director in the Board of Directors section from page 145.

The Committee reviewed the existing commitments disclosed by each of Marc Moses and Sir John Kingman ahead of their respective appointments to the Board, and was comfortable that these would not impact their ability to devote such time as is necessary to discharge their duties to Barclays effectively.

Before accepting any significant new commitment outside of Barclays, all Directors must seek approval from the Board (providing an indication of expected time commitment). Prior to approving any significant new external commitment for a Director, the Board reviews all relevant facts and circumstances (including the expected role and time commitment, as well as the nature of the external organisation).

Barclays PLC Board – Listed company external directorships[1]

As at 31 December 2023

Director	Executive	Non-Executive	Non-Executive Chair	Total
Nigel Higgins				None
C.S. Venkatakrishnan				None
Anna Cross				None
Robert Berry				None
Tim Breedon		1[2]	1[4]	2
Mohamed A. El-Erian		1[3]		1
Dawn Fitzpatrick				None
Mary Francis		1[2]		1
Brian Gilvary				None
Sir John Kingman			1[2]	1
Marc Moses				None
Diane Schueneman				None
Julia Wilson				None

Notes
1 For the purposes of this table, 'listed company' means companies whose shares are listed and traded on a regulated stock exchange, excluding appointments within the Barclays Group, and directorships held with the same group or within undertakings (including non-financial entities) in which the relevant firm holds a qualifying holding.
2 UK public listed company.
3 US public listed company.
4 UK listed closed-ended investment company.

All Directors are expected to commit additional time as necessary to their work on the Board, where circumstances require. For the year ended 31 December 2023 and as at the date of publication, the Board is satisfied that none of the Directors is over-committed and that each of the Directors allocates sufficient time to their role in order to discharge their responsibilities effectively. A record of each Director's time commitments is maintained.

Conflicts of interest

The Board has the authority to authorise Director conflicts of interest, in accordance with the Companies Act 2006 and BPLC's articles of association. This ensures that the influence of third parties does not compromise the independent judgement of the Board. Directors are required to declare any potential or actual conflicts of interest that could interfere with their ability to act in the best interests of the Group.

Directors' report: Board Nominations Committee report (continued)

A conflicts register recording actual and potential conflicts of interest, together with any Board authorisations of conflicts, is maintained. Authorisations are for an indefinite period but are reviewed on an bi-annual basis by the Board. The Board also considers the effectiveness of the conflicts authorisation process.

The Board retains the power to vary or terminate conflicts authorisations at any time.

Director training and development

The Committee supports the Group Chairman in developing and monitoring effective induction, training and development for the Board in accordance with its Terms of Reference (available at home.barclays/who-we-are/our-governance/board-committees). Directors are provided with the opportunity to take part in ongoing training and development, but can also request specific training, as required.

All Directors receive a comprehensive induction tailored to their individual requirements on appointment, designed to provide them with an understanding of the operation of the Group and its strategy and key business areas and functions.

The Group Company Secretary consults the Group Chairman when designing each bespoke induction schedule, taking into account the particular needs of the new Director.

When a Director is joining a Board Committee, their induction schedule will also include an induction to the operation of that Committee.

An overview of training and development delivered to the Board during 2023 is described in the table below.

Training, development and updates for the Board in 2023

Topic	Description	Areas covered included
Business and function reviews	Updates from key business areas and Group functions, to deepen and broaden the Board's understanding of the Group's businesses, including key risks and opportunities.	Compliance, Internal Audit, Barclays UK, Barclays Europe, Markets, Legal, Transaction Banking, UK Corporate, Private Bank and Wealth Management, Investment Bank, BX and HR.
'Horizontal topics'	Focus sessions to deepen the Board's understanding on key areas of impact/focus across the Group.	Resilience and Cybersecurity, Consumer Duty, Conduct, Corporate Strategy, Barclays UK Complaints, Strategic Policy, Regulatory and Financial Crime.
Public Policy and Corporate Responsibility	Regular updates on Public Policy and Corporate Responsibility matters.	Reputation risk matters (for which the Board has direct oversight) and a broad range of topics including regulatory engagement and oversight, and climate and sustainability matters.
Regulatory responsibilities	Annual briefing on regulatory responsibilities.	Senior Managers Regime and Barclays' conduct and financial crime policies and standards.
Corporate governance	Regular updates on developments in corporate governance matters.	DEI matters, legal and regulatory developments, cybersecurity disclosure obligations, Directors' duties and the Economic Crime and Corporate Transparency Act 2023.
External speakers	External input to the Board.	External briefing to the Board Sustainability Committee on policy and regulatory developments relating to biodiversity and nature.
Board engagement with stakeholders	Various events enabling the Board to engage directly with stakeholders.	**You can read more about the Board's engagement with stakeholders (including colleagues) within our Section 172(1) statement in the Strategic report** from page 38 **and the Key Board activities section** on page 153.
New Director inductions	Tailored Non-Executive Director inductions for Marc Moses and Sir John Kingman, following their respective appointments as Non-Executive	Sessions covering the Group's strategy and culture, stakeholder landscape and relationships, Board and Board Committee structure and other governance matters. Meetings with various senior executives from across the business including from Finance, Treasury, BX and Operations, BBUKPLC, CIB, Consumer Banking and Payments, Risk, Compliance, Public Policy and Corporate Responsibility, Regulatory Relations, HR, Internal Audit, Legal and the Group's external auditor.

The secret animal #3 is a "spider".

Directors' report: Board Nominations Committee report (continued)

Committee-specific induction sessions	Committee-specific induction sessions for Marc Moses and Sir John Kingman.	Sessions providing an introduction to the relevant Board Committee, including meetings with relevant executives and briefings on topics relevant to the work of that Committee.
Handover in accordance with requirements of the Senior Managers Regime (SMR)	Formal SMR handovers from Mike Ashley (as outgoing Board Audit Committee Chair) to Julia Wilson (as incoming Board Audit Committee Chair), and from Crawford Gillies (as outgoing BBUKPLC Chair and BBUKPLC Board Nominations Committee Chair) to Sir John Kingman (as incoming BBUKPLC Chair and BBUKPLC Board Nominations Committee Chair) .	Series of handover meetings between Mike Ashley and Julia Wilson, and Crawford Gillies and Sir John Kingman, relevant to the responsibilities being handed over (including, for Julia, the role of Group Whistleblowers' Champion), as well as various meetings with senior executives as part of Julia's and John's inductions and transition to their new roles.

Succession

Through robust succession planning throughout the year, the Committee ensures that we will continue to strike the right balance of skills, experience, diversity and effectiveness on the Board, Committees and ExCo, as well as accounting for current and anticipated future business needs.

The Committee's vital work in this area includes both medium-term planning (orderly refreshing of the Board, Committees and ExCo) and long-term planning (looking ahead to the skills that may be required on the Board and the ExCo in the future).

Committee consideration of succession

As at 1 November 2023, Tim Breedon had served on the Board for 11 years. In early 2024, the Committee undertook a rigorous assessment of Tim's continued independence, as it had done in the two previous years. Following careful consideration, the Committee concluded that it remained appropriate for Tim to continue to serve on the Board beyond his 11-year tenure.

In reaching this conclusion, the Committee recognises the significant value that Tim continues to bring to Board discussions, particularly given his breadth of financial services sector experience and deep knowledge of risk and regulatory issues.

Both the Committee and the Board continue to believe that it is advantageous for Group-wide decision-making to have the Chairs of the Group's significant subsidiaries sit on the BPLC Board, considering that this provides connectivity with the Group's significant subsidiaries, bringing with it important insight into Board discussions. With these factors in mind, and in light of Tim's ongoing role as Chair of Barclays Europe, the Group's principal European subsidiary, the Committee and the Board consider it is appropriate for Tim to continue as an independent Non-Executive Director on the BPLC Board in the near-term.

Given the Board's preference for the Chairs of the Group's significant subsidiaries to also be represented on the Board, in light of Tim's tenure, the Committee is giving due consideration to potential successors for his roles on the Board and as Chair of Barclays Europe.

Diane Schueneman will have been on the Board for nine years in June 2024, and the Committee is also giving due consideration to potential successors for her roles on the BPLC Board and as Chair of BX.

Tenure

The Committee and the Board consider that length of tenure is only one of the factors to be considered with respect to Director independence, and accordingly, that tenure alone should not result in a loss of independence. The Committee and the Board are confident that Tim remains independent and continues to provide effective challenge, advice and support to management on business performance and decision-making. Having undertaken a rigorous review of Tim's performance as a Non-Executive Director and taking into account other relevant factors that might be considered likely to impair, or could appear to impair, his independence including as set out in Provision 10 of the Code, the Committee and the Board consider Tim to be independent.

ExCo succession

The Committee approves all changes to ExCo composition prior to announcement, taking into account executive succession plans.

In 2023, the Committee received updates regarding succession planning and proposed appointments for ExCo, including in relation to the review of the balance of skills and diversity on ExCo and for key successors. The Committee approved the ExCo changes in 2023, as set out on page 149, prior to implementation.

+ **You can read more about gender diversity within ExCo and their direct reports in the Diversity section** of this Board Nominations Committee report.

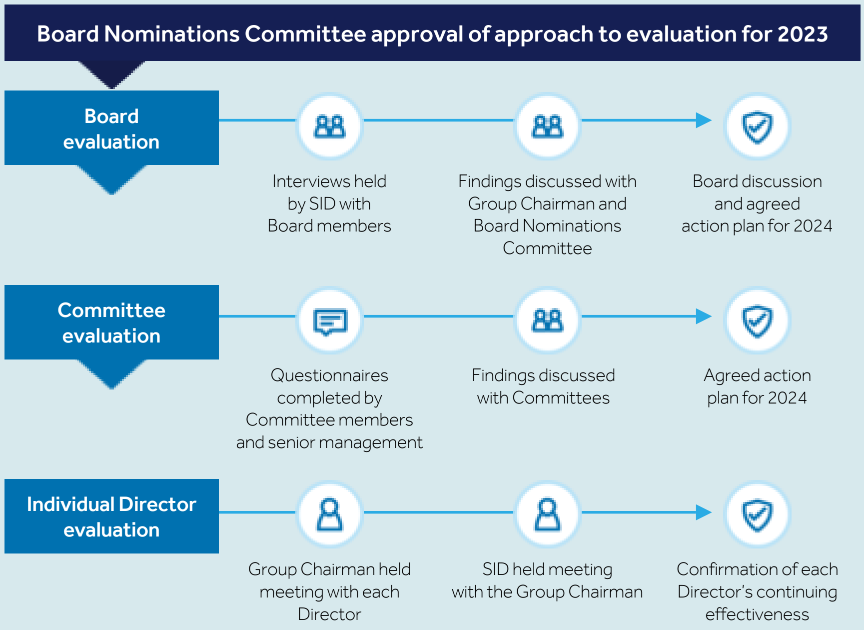
Directors' report: Board Nominations Committee report (continued)

Evaluation

The Committee ensures that a formal and rigorous review of the performance of the Board, Board Committees and individual Directors is undertaken each year, in line with the requirements of the Code.

The 2023 effectiveness review was conducted internally, as permitted by the Code, following the process illustrated in the diagram on the right. The reviews concluded that the Board, Board Committees and individual Directors continue to be effective.

Board, Committee and individual Director evaluation process



Progress against the 2022 Board effectiveness review

As reported in last year's Annual Report, the 2022 Board effectiveness review was facilitated internally, in line with the Code. The 2024 Board effectiveness review is expected to be externally facilitated, in line with Code requirements that the Board effectiveness review be conducted by an external facilitator at least every three years.

Recommendations arising out of the 2022 Board effectiveness review, together with actions taken during the course of the year to address them, are shown in the table below.

Areas	Recommendations from the 2022 evaluation	Actions taken during the year
Discussion of key areas of focus	In the context of what is understandably a structured meeting agenda, Board members would welcome the opportunity for more unstructured discussion of key areas of focus for the Board - whether in regard to particular matters on the agenda or other macro or external developments since the previous meeting.	Introduction of standing Board agenda item for open discussion of major current topics with Board members.
Board agendas	Consideration should continue to be given to the structure of Board agendas to ensure that time allocations are appropriate.	The format of certain standing Board agenda items continued to evolve, with positive Board feedback received on changes made. Additional time allocated on the Board agenda for discussion of material items.
Board materials	Continued focus on ensuring balanced papers which clearly identify substantive points and key issues for the Board's attention.	The Group Chairman and Group Chief Executive continued to work with management to ensure that substantive points and key issues for discussion by the Board were as clear and concise as possible within papers presented to the Board.
Committee reporting to Board	Continued focus on Committee reporting to the Board, to ensure the Board has the right level of visibility on key areas of focus.	Inclusion of written reports of certain Committee meetings within Board papers, in addition to thematic, forward-looking reports.
Engagement with senior executives	Continue to identify opportunities for more informal engagement between the Non-Executive Directors and senior executives outside the boardroom.	More informal engagement included engagement with management on Board papers, Board and Committee dinners with relevant senior executives, Board support for certain client events and Board engagement with colleagues as described in the Key Board activities section.
Outside perspectives	Continue to identify opportunities to bring external perspectives into the Board.	External perspectives included the external briefing provided to the Board Sustainability Committee on policy and regulatory developments in relation to biodiversity and nature.

Directors' report: Board Nominations Committee report (continued)

2023 Board effectiveness review

Feedback provided by interviewees as part of the 2023 Board effectiveness review provides important insight into the Board's performance, including areas in which the Board could be more effective.

Following consideration of the findings of the 2023 Board effectiveness review, the Committee remains satisfied that the Board is operating effectively.

Feedback from 2023 review

Feedback from this review indicated that the Board is operating well and effectively, with Board members commenting favourably on the culture of the Board, where members feel able to share their different perspectives and views. Board members emphasised how this culture is supported by the inclusive style of the Group Chairman and his values-driven approach. The review indicated that Board composition is considered to be a strength, bringing together a range of diverse and complementary backgrounds, including deep financial services expertise. The interaction between the Board and the Board Committees was commented upon favourably, with regular reporting ensuring the Board has good visibility on key areas of focus. The review highlighted the positive relationship between the Board and management, and an appropriate level of support and challenge.

Recommendations from 2023 review

The 2023 review outlined the following key recommendations:

- consider how Board agendas might be structured to (i) allow for deeper discussion of business performance; and (ii) create more flexibility for discussion of key topics and reflections within the agenda
- identify opportunities for more open and wide-ranging discussions on big picture issues
- continue to focus on ensuring balanced papers which clearly identify substantive points and key issues for the Board's attention
- continue to identify opportunities to bring external perspectives into the Board.

2023 Board Committee effectiveness review

The Board Committee reviews are an important part of the way Barclays monitors and improves Committee performance and effectiveness, maximising strengths and highlighting areas for further development.

The results of the 2023 Board Nominations Committee effectiveness review are reported below, and the results of the reviews of the effectiveness of the other Board Committees are reported within their individual reports elsewhere in this Board Governance report.

Following consideration of the findings of the 2023 Board Committee effectiveness reviews, the Committee remains satisfied that each of the Board Committees are operating effectively.

Review of Board Nominations Committee effectiveness

The results of the 2023 review confirm the Committee is operating effectively. It is considered well constituted and chaired, providing high-quality oversight and constructive challenge to management in the areas within its remit. The review highlights that the Committee is considered to have the right level of skills and experience.

Feedback indicates that the allocation of time between agenda items in Committee meetings is appropriate, with sufficient time for discussion and challenge, and focus on the right areas.

The Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that sufficient time is allocated at Board meetings for the Chair to report to the Board on the work of the Committee. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Nominations Committee continue to be effective, with coverage of BBPLC matters within concurrent meetings considered appropriate.

Interaction with the BBUKPLC Board Nominations Committee was also considered effective, confirming that the Committee continues to exercise sufficient oversight of issues relevant to the Committee's remit relating to BBUKPLC.

Individual Director effectiveness

All Directors in office at the end of 2023 were subject to an individual effectiveness review. The Group Chairman considered each Director's individual contribution to the Board as well as any feedback received as part of the broader Board and Board Committee effectiveness reviews.

Based on these reviews, the Board accepted the view of the Committee that each Director to be proposed for election or re-election at the 2024 AGM continues to be effective and contributes to Barclays' long-term sustainable success.

All of the current Directors of the Company intend to submit themselves for election or re-election at the 2024 AGM and will be unanimously recommended by the Board for election or re-election as appropriate.

Directors' report: Board Audit Committee report

Focused on a robust internal control environment

Overseeing the integrity of our financial disclosures and the effectiveness of the internal control environment.

Board Audit Committee

Julia Wilson
Chair, Board Audit Committee

Committee membership and meeting attendance in 2023[1]

Member	Meetings attended/eligible to attend
Julia Wilson	**12/12**
Robert Berry	**12/12**
Marc Moses[2]	**12/12**
Diane Schueneman	**8/12**
Mike Ashley[3]	**6/6**

Notes
1 There were 12 scheduled meetings of the Committee in 2023. Owing to prior commitments, Diane Schueneman was unable to attend four meetings (with both sets of meetings in February and October being held in short succession).

Committee membership in 2023
2 Appointed with effect from 23 January 2023.
3 Retired with effect from 3 May 2023.

Dear Fellow Shareholders

I was appointed as Chair of the Committee in April 2023 and so this is my first report of the Board Audit Committee as Committee Chair.

I would like to extend my thanks to my predecessor, Mike Ashley, for his careful stewardship of the Committee and diligence in handing it over to me. We also welcomed Marc Moses to the Committee on 23 January 2023, bringing his strong technical finance background with a deep knowledge of banking and financial services.

During the year, the Committee has had a significant focus on management's initiatives to drive sustainable improvements in the Group's internal control environment. Specifically, the Committee received regular updates on the internal control environment from the business heads, Group Chief Internal Auditor, Group Chief Controls Officer and KPMG, identifying any thematic trends which may be arising across the Group and encouraging management to take a pro-active approach in identifying areas for enhancement.

The Committee also maintained close oversight of an internal programme established by the Group Chief Executive at the end of 2022, and led by the Group Chief Operating Officer, to improve senior oversight of the more material regulatory remediation programmes with a view to enhancing controls in order to achieve a consistently excellent operating environment across the Group. This programme operates in parallel with the broader cultural change programme led by our Group Chief Executive, which you can read more about in the Section 172(1) statement in the Strategic report.

The Committee recognises that maintaining a robust system of internal control is a continuous journey and there will always be programmes in train to ensure that ongoing improvements are made. As part of this, the Committee has been receiving reports on an internal programme to enhance the system of risk management and internal control for compliance with laws, rules and regulations. Financial crime controls also continue to be an area of significant focus for the Group and the Committee is closely following management's progress in this area to ensure that the control framework is robust. Previous reports of the Committee also highlighted significant work by management on control remediation and enhancement programmes in relation to trading controls. While that work remains ongoing, the Committee was pleased to see significant progress made during 2023, with key remediation programmes in those areas scheduled to achieve significant milestones or complete during 2024.

To decide whether any control issues required specific disclosure in this Annual Report, the Committee continued to apply similar concepts to those used for assessing internal control over financial reporting for the purposes of the US Sarbanes-Oxley Act (SOx). The Committee is satisfied that there are no control issues which are considered to be a material weakness and which merit specific disclosure.

In overseeing the integrity of our financial disclosures, the Committee was mindful that the macroeconomic environment during the year remained challenging with continuing high interest rates, inflationary pressures and geopolitical uncertainty. The Committee received regular updates from the Group Finance Director and Group Chief Accounting Officer, focusing on key areas including credit impairment and coverage, provisions, valuations and tax. The Committee will continue to closely monitor management's judgements in these areas and their disclosure.

The Committee works closely with the Board Risk Committee and Board Sustainability Committee, ensuring a streamlined view of matters of relevance across the Committees. The Committee welcomed enhanced reporting by management with the incorporation of operational risk dashboards to provide a more holistic view across the controls and risk space. This is expected to support the effective and efficient consideration by the Board Audit Committee and Board Risk Committee of matters relevant to both committees.

Directors' report: Board Audit Committee report (continued)

With respect to climate matters, the Committee received input from the Board Sustainability Committee on our external climate and sustainability narrative disclosures. Best practice and regulation regarding climate and sustainability reporting and related assurance are still evolving, while investor and other stakeholder appetite for information continues to grow, and this is an area to which the Committee will continue to have close regard. Barclays' climate strategy remains a key focus of the Group and the Committee continues to monitor that the impact of climate change has been addressed in preparing the Group's financial statements.

The independent assurance and challenge provided by both Barclays Internal Audit (BIA) and KPMG as statutory auditor are critical to the Committee's oversight role in relation to internal controls and financial reporting. For this reason, the Committee continues to hold regular separate private sessions with each of the Group Chief Internal Auditor and the lead KPMG audit engagement partner without management present.

The Committee has oversight of Barclays' whistleblowing programme and I took over the role of Group Whistleblowers' Champion upon my appointment as Committee Chair. During 2023, I met with the FCA and also held regular meetings with the Whistleblowing team to understand their key areas of focus and the Committee continues to receive detailed semi-annual whistleblowing updates.

Throughout the year I also held regular meetings with a number of other colleagues and stakeholders to discuss any material and emerging key issues impacting the Group (including its key subsidiaries) and of relevance to the Committee. This included regular meetings with the Chair of the BBUKPLC Board Audit Committee, the Group Finance Director, Group Chief Internal Auditor and lead KPMG audit partner. As Committee Chair, throughout the year I also engaged regularly with the Group's key regulators, including meeting with representatives of the PRA, FCA and FRBNY.

Committee effectiveness

The results of the Committee effectiveness review for 2023 confirm the Committee is operating effectively. It is considered well constituted and chaired, providing an effective and appropriate level of challenge and oversight of the areas within its remit. Feedback recognised the effective transition of the Chair in April 2023. The review highlights that the Committee is considered to have the right level of skills and experience, including recent and relevant financial experience, and is of an appropriate size. Feedback indicates that the Committee is considered to operate at the right level of debate, and confirms that the allocation of time between agenda items in Committee meetings is appropriate, with sufficient time for discussion and challenge.

The Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that sufficient time is allocated at Board meetings for the Chair to report to the Board on the work of the Committee. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Audit Committee continue to be effective, with coverage of BBPLC matters within concurrent meetings considered appropriate.

Interaction with the BBUKPLC Board Audit Committee was also considered effective, confirming that the Committee continues to exercise sufficient oversight of issues relevant to the Committee's remit relating to BBUKPLC.

Please see the report of the Board Nominations Committee for details on the process for conducting the 2023 Committee effectiveness review.

Looking ahead

Management has made some significant progress on remediation during the course of 2023; maintaining that momentum in 2024 will be a key focus of the Committee.

Finally, after some five years in the role, and having made significant progress in the operation and methodologies used by BIA, Lindsay O'Reilly will be stepping down as Group Chief Internal Auditor during 2024. The Committee will be looking to approve the appointment of a new Group Chief Internal Auditor in the coming months and would like to extend its thanks to Lindsay for her invaluable support, which is continuing through this transition period.

Julia Wilson
Chair, Board Audit Committee
19 February 2024

Directors' report: Board Audit Committee report (continued)

Committee composition and meetings

The Committee is composed solely of independent Non-Executive Directors. Membership of the Committee is designed to provide the breadth of financial expertise and commercial acumen that the Committee needs to fulfil its responsibilities. Its members as a whole have recent and relevant experience of the banking and financial services sector, in addition to general management and commercial experience; and are financially literate. Julia Wilson, the Committee Chair, and who is the designated financial expert on the Committee for the purposes of SOx, has significant corporate finance, tax and accounting experience including serving as the Group Finance Director of 3i plc from 2008 to 2022 and as Chair of the board audit committee at Legal & General Group plc.

In 2023, the Committee met 12 times, with no ad hoc meetings held during the year (2022: 14 times, including four ad hoc meetings). Attendance by members at Committee meetings is shown on page 166.

Committee meetings were attended by representatives from management, including the Group Chief Executive, Group Finance Director, Group Chief Internal Auditor, Group Chief Controls Officer, Group Chief Risk Officer, Group Chief Operating Officer, Group General Counsel and Group Chief Compliance Officer, as well as representatives from the businesses and other functions, and from BBPLC senior management reflecting the partially consolidated operation of the BPLC and BBPLC Committee meetings. The lead audit engagement partner of KPMG also attended Committee meetings.

The Board, together with the Committee, is responsible for ensuring the independence and effectiveness of the internal audit function and external auditors. The appointment and removal of the Group Chief Internal Auditor is a matter reserved to the Committee, and the appointment and removal of the external auditor is a matter reserved to the Board based on the recommendation of the Committee. Neither task is delegated to management.

Role of the Committee

The role of the Committee is to review and monitor, among other things:

- the integrity of the Group's financial statements and related announcements
- the effectiveness of the Group's internal controls
- the independence and effectiveness of the internal and external audit processes
- the Group's relationship with the external auditor
- the effectiveness of the Group's whistleblowing procedures.

The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Primary activities

The Committee discharged its responsibilities in 2023 through monitoring the effectiveness of the internal control environment and internal and external audit processes, as well as the integrity of financial statements and related announcements having regard to the current macroeconomic environment.

Areas of focus	Role of Committee / Key issues considered	Conclusion/action taken
Financial reporting		
Fair, balanced and understandable reporting (including Country- by-Country Reporting and Modern Slavery Statement)	In light of the Board's obligation under the Code, the Committee assesses external reporting to ensure it is fair, balanced and understandable. The secret animal #1 is a "giraffe".	In addition to this Annual Report and associated year-end reports, the Committee also reviewed the Group's half-year and quarterly results announcements and the presentations to analysts. The Committee informed these reviews through: • consideration of reports of the Group Disclosure Committee • direct questioning of management on the transparency and accuracy of disclosures • consideration of the results of management's processes relating to financial reporting matters, including the output of the Group's internal control assessments and the SOx s404 internal control processes. The Committee closely considered the Group's financial disclosures and provided feedback, including on areas where disclosures could be enhanced. Recognising the increasing focus on, and prominence of, ESG reporting, the Committee considered the governance and assurance framework for such disclosures. The Committee emphasised the importance of management continuing to review and enhance the processes and controls around the disclosures (particularly in relation to the underlying data) as the disclosure framework and expected use of the information evolves. Having evaluated all of the available information, the assurances by management and underlying processes used to prepare the published financial information, the Committee concluded and recommended to the Board that the 2023 Annual Report and Accounts are fair, balanced and understandable.

Directors' report: Board Audit Committee report (continued)

Areas of focus	Role of Committee / Key issues considered	Conclusion/action taken
Significant accounting judgements		
Conduct provisions (refer to Note 23 to the financial statements)	Barclays makes certain assumptions and estimates, analysis of which underpins provisions made for the costs of customer redress. The Committee analyses the judgements and estimates made by management to evaluate the adequacy of the provisions, including with regards to Barclays' provisioning for legacy conduct issues.	The Committee reviewed and challenged management's approach to conduct provisions throughout the year and was satisfied that management's judgement and approach resulted in an adequate and appropriate level of provision in relation to the various conduct matters.
Impairment of financial instruments (refer to Note 8 to the financial statements)	The Committee monitors management's judgements in relation to expected credit losses (ECLs), which are modelled using a range of forecast economic scenarios. They use forward-looking models which require judgements to be made over modelling assumptions, including: • the determination of macroeconomic scenarios to be used • the methodology for weighting of scenarios • the criteria used to determine significant deterioration in credit quality • the application of management adjustments to the ECL modelled output.	As part of its monitoring, the Committee considered regular reports from management on: • the impact of the macroeconomic environment, including high interest rates, inflationary pressures and unemployment levels • model changes and model validation, and the impact of this on the use of post-model adjustments • the refresh of macroeconomic variables and associated weighting. The Committee closely considered management's judgement on impairment coverage levels, including the impact of increasing delinquency levels in certain areas of the portfolio. Having considered and scrutinised the reports, the Committee agreed with management's conclusion that the impairment provision was appropriate.
Impairment of goodwill and intangibles (refer to Note 21 to the financial statements)	The Committee considers management's judgement in relation to goodwill and intangibles. The carrying value of goodwill and intangible assets is assessed on the basis of discounted forecast future earnings. Given the significant component of earnings attributable to net interest income, such forecasts are particularly sensitive to the level of long-term interest rates and assumed levels of future lending. The period over which intangible assets are amortised appropriately reflects the useful economic life.	The Committee considered management's reports on its assessment of the Group's goodwill balances and intangibles to identify any indicators of impairment, including the methodology and controls applied to the process. The Committee was satisfied with management's determination on the indicators of impairment and quantum of the impairment amount identified.
Legal, competition and regulatory provisions (refer to Note 25 to the financial statements)	Barclays is engaged in various legal, competition and regulatory matters which may give rise to provisioning based on the facts. The level of provisioning is subject to management judgement on the basis of legal advice and is, therefore, an area of focus for the Committee.	The Committee received regular reports on the status of current legal, competition and regulatory matters and considered the impact of those matters on the Group's provision levels. It also oversaw enhancements in the reporting to the Committee on these matters. It considered management's judgements on the level of provision to be taken and accompanying disclosures and agreed that the level of provision at the year end was appropriate. The Committee also reviewed the disclosures made in respect of legal, competition and regulatory matters, and concluded that they provided appropriate information for investors.
Valuations (refer to Notes 13 to 17 to the financial statements)	Barclays exercises judgement in the valuation and disclosure of financial instruments, derivative assets and certain portfolios, particularly where quoted market prices are not available.	The Committee scrutinised management's approach to valuations, including in respect of pensions and the leveraged finance portfolio. The Committee was satisfied with the accounting treatment in respect of the various matters.
Tax (refer to Note 9 to the financial statements)	The Committee is responsible for considering the Group's tax strategy and overseeing compliance with the Group's Tax Principles. Barclays is subject to taxation in a number of jurisdictions globally and makes judgements with regard to provisioning for tax at risk and to the recognition and measurement of deferred tax assets.	The Committee: • received reports from the Global Head of Tax, including updates on the work of the Tax Management Oversight Committee • reviewed the appropriateness of provisions made for uncertain tax positions and management's approach to the tax treatment of index-linked gilts and its impact on the Group's effective tax rate • considered the impact of the UK Government's implementation of the OECD's global minimum tax rules • monitored the Group's interactions with tax authorities and the material tax risks for the Group. The Committee approved the UK Tax Strategy statement published in the Country Snapshot report and recommended the Country Snapshot to the Board for approval.

Directors' report: Board Audit Committee report (continued)

Areas of focus	Role of Committee / Key issues considered	Conclusion/action taken
Going concern and viability		
Going concern and long-term viability (refer to the Viability Statement on page 54)	Barclays is required to assess whether it is appropriate to prepare the financial statements on a going concern basis. In accordance with the Code, Barclays must provide a statement of its viability. To support this, the Committee considers both the going concern assumption and the form and content of the Viability Statement.	The Committee considered both the going concern assumption and the form and content of the Viability Statement taking into account: • the MTP and Working Capital Report • the forecast capital, liquidity and funding profiles • the results of stress tests based on internal and regulatory assumptions. The Committee recommended to the Board that the financial statements should be prepared on a going concern basis and that there were no material uncertainties that would impact the going concern statement which required disclosure. The Committee recommended the Viability Statement to the Board for approval.
Distributions		
Distributions and return of capital to shareholders	The Committee assesses the distributable reserves position in considering management's proposals for distributions (dividends and share buy-backs) for the full year ended 31 December 2022 and for the half year ended 30 June 2023.	Having regard to the distributable reserves available to the Company, the Committee reviewed and reported to the Board on proposals for (i) a dividend for the financial year ended 31 December 2022 of 5.0p per share along with a share buy-back of up to £500m; and (ii) a dividend for the half year ended 30 June 2023 of 2.7p per share along with a share buy-back of up to £750m. In early 2024, the Committee reviewed and reported to the Board on the distributable reserves position for the full year dividend for the year ended 31 December 2023 along with a proposed share buy-back.
Internal controls		
Internal controls and business control environment (read more about Barclays' internal control and risk management processes on page 184)	The Committee considers the effectiveness of the overall control environment, including the status of any significant control issues and the progress of specific remediation plans.	The Committee: • considered feedback received from regulatory stakeholders on the Group's internal control environment and management's response • evaluated and tracked the status of the more significant control matters through regular reports from the Group Chief Controls Officer • discussed reports from heads of key businesses (including Barclays UK and BBPLC) on their control environment, together with views from the second and third lines of defence. The Committee received regular deep dive reports on the more material remediation programmes across the Group, keeping a close eye on management's progress and delivery against key milestones, including through to closure of a programme and validation by BIA. The Committee challenged management's approach to measuring progress and emphasised the importance of qualitative factors such as the embedment and sustainability of programmes.
Whistleblowing		
Raising concerns	The Committee considers the adequacy of the Group's arrangements to allow colleagues to raise concerns in confidence and anonymously without fear of retaliation, and the outcomes of any substantiated case.	The Committee received detailed semi-annual reports on whistleblowing from management. It monitored key whistleblowing metrics, the 'speak up' culture across the Group (and key metrics underpinning this) and any potential whistleblowing trends which might emerge. The Committee also monitored the implementation of enhancements to the whistleblowing process following the external benchmarking review conducted in 2022.

Directors' report: Board Audit Committee report (continued)

Areas of focus	Role of Committee / Key issues considered	Conclusion/action taken
Internal audit		
Internal audit	The Committee monitors and assesses the performance of BIA and delivery of the internal audit plan, including scope of work performed, the level of resources, and the methodology and coverage of the internal audit plan.	Through regular reports from BIA, the Committee: • reviewed and agreed internal audit plans, methodology and deliverables for 2023, including consideration of how regulatory priorities and required regulatory coverage has been reflected in the plan • reviewed BIA's audit reports in relation to specific audits, key areas of focus and themes • tracked the levels of adverse audits and issues raised by BIA and monitored related remediation plans • received regular updates on BIA colleague matters, including colleague engagement and resourcing • discussed BIA's assessment of the control environment and management control approach in Group companies and functions. The Committee noted the independence of the BIA function, and through reviewing BIA's quality assurance updates was pleased to see the reports demonstrating the independence of BIA's quality assurance function. The Committee considered and was comfortable with the approach by BIA to embed the UK Consumer Duty into the BIA framework. The Committee conducted a performance assessment of BIA for 2023 and concluded it was satisfied with BIA's performance against its objectives agreed with the Committee Chair at the beginning of the year. At the end of the year, the Committee approved the 2024 audit plan, detailing the number of audits to be undertaken and the focus areas. It also approved BIA's Audit Charter following the annual review.
External audit		
External audit	The Committee monitors the work and performance of KPMG.	The Committee: • met with key members of the KPMG audit team to discuss the 2023 audit plan and KPMG's areas of focus • approved the 2023 audit plan and the main areas of focus for the year • assessed regular reports from KPMG on the progress of the 2023 audit and any material accounting and control issues identified • discussed KPMG's draft reports on control areas of focus and the control environment ahead of the 2023 year end • approved the terms of the audit engagement letter and associated fees for 2023, on behalf of the Board. The Committee sought KPMG's views on a number of specific matters, including management's approach to critical accounting judgements and estimates, and sought to understand where KPMG had challenged management's assessment prior to reaching a conclusion. This included considering KPMG challenge in relation to key controls matters and the approach to disclosures in the Group's full year, half-year and interim financial results. The Committee considered KPMG's response to the PRA Written Auditor Reporting for 2022, and discussed with KPMG the questions in scope for the 2023 Written Auditor Reporting.

Directors' report: Board Audit Committee report (continued)

External auditor

Following an external audit tender in 2015, KPMG was appointed as Barclays' statutory auditor with effect from the 2017 financial year. Stuart Crisp, Barclays' lead audit engagement partner, has been in the role since 2022 and attends all meetings of the Committee.

Assessing external auditor effectiveness, objectivity and independence and non-audit services

The Committee is responsible for assessing the effectiveness, objectivity and independence of the Group's statutory auditor. This responsibility was discharged by the Committee throughout the year at formal meetings, during private meetings with KPMG and through discussions with key Group executives. In particular, the Committee assessed KPMG's effectiveness, objectivity and independence in the following ways:

Throughout the year

- Met with senior members of the KPMG audit team from the UK, Ireland and US to discuss the approach to the 2023 audit.
- Reviewed regular reports from management on the non-audit services provided by KPMG to Barclays.
- Reviewed regular reports from management detailing any employees or workers hired from KPMG.
- Discussed with KPMG their consideration of internal controls over financial reporting.
- Considered areas in which KPMG had challenged management's assumptions in areas of key judgement.
- Assessed any potential threats to independence that were self-identified and reported by KPMG, all of which were regarded by the Committee as being adequately addressed.

Annual assessment, audit quality and external findings

- The Group undertakes an annual formal assessment of KPMG's performance, independence and objectivity. The assessment for 2023 was conducted in early 2024, by way of a questionnaire completed by key stakeholders across the Group who have regular interaction with KPMG. The questionnaire was designed to evaluate KPMG's audit process, its effectiveness and overall output.
- Consistent with previous years, in 2023 KPMG nominated a senior partner of the audit team to have specific responsibility for ensuring audit quality. The Committee received reports from him during the year on his assessment of audit quality.
- The findings of the FRC's Audit Quality Report on KPMG published in July 2023, including its inspection of the Barclays audit for the year ended 31 December 2021, provided further comfort to the Committee on the quality and effectiveness of KPMG's audit, acknowledging that there remains areas for improvement.

Outcome

Taking into account the result of all of the above, the Committee considered that KPMG maintained its independence and objectivity, exercised robust challenge and demonstrated professional scepticism in the audit process. The Committee was therefore satisfied that the audit process was effective.

Non-audit services

In order to safeguard the auditor's independence and objectivity, Barclays has in place the Group Policy on the Provision of Services by the Group Statutory Auditor (the Policy) setting out the circumstances in which the auditor may be engaged to provide non-audit services. The Policy applies to all Barclays subsidiaries and other material entities over which Barclays has significant influence. The core principle of the Policy is that non-audit services (other than those legally required to be carried out by the Group's auditor) should be performed by the auditor only in certain controlled circumstances. A summary of the Policy can be found at home.barclays/who-we-are/our-governance/auditor-independence/

The Policy sets out the type of services that the auditor is permitted to carry out and pre-approves certain of these services provided the fee is below a certain threshold, except for specific categories of permitted services that require explicit Committee approval. All other permitted services must be approved in advance by the Committee. The Policy requires that all proposed work must be sponsored by a senior executive who is not involved in any work to which the proposed engagement relates. The audit assignment partner must also confirm that the engagement has been approved in accordance with the auditor's own internal ethical standards and does not pose any threat to the auditor's independence or objectivity.

The Policy is reviewed by the Committee on an annual basis to ensure that it is fit for purpose and that it reflects applicable rules and guidelines. The Policy is aligned with both the FRC's requirements and KPMG's own internal policy on non-audit services for FTSE 350 companies, which broadly restricts non-audit work to services that are 'closely related' to the audit.

In early 2023, KPMG advised the Committee that, following on from an event notified to the Committee in late 2022, a further instance had been identified of a KPMG member firm having provided services in connection with the preparation of local statutory accounts of a small overseas subsidiary not in scope for the Group audit. KPMG assured the Committee, having made appropriate enquiries of their member firms providing services to the Group, that these were isolated instances. In these circumstances, the Committee agreed with KPMG's assessment that this had not impaired their integrity or objectivity.

In view of the events notified by KPMG, the Committee reviewed the Policy in early 2023 to determine whether any revisions were required to ensure such events did not arise again. While it was determined that the Policy provided sufficiently clear guidance in terms of prohibited non-audit service work, certain enhancements were made to the Policy to further support the operation of the Policy including by specifying examples of the type of work prohibited under each headline service.

Directors' report: Board Audit Committee report (continued)

The fees payable to KPMG for the year ended 31 December 2023 amounted to £78m (2022: £71m), of which £14m (2022: £13m) was payable in respect of non-audit services. A breakdown of the fees payable to the auditor for statutory audit and non-audit work can be found in Note 39 of the financial statements. Of the £14m of non-audit services provided by KPMG during 2023, the significant categories of engagement, i.e. services where the fees amounted to more than £500,000, included:

- audit-related services: services in connection with CASS (Client Assets Sourcebook) audits
- other services in connection with regulatory, compliance and internal control reports and specific audit procedures, required by law or regulation to be provided by the statutory auditor
- other attestation and assurance services, such as ongoing attestation and assurance services for treasury and capital markets transactions to meet regulatory requirements, including regular reporting obligations and verification reports.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014

An external audit tender was conducted in 2015 and the decision was made to appoint KPMG as Barclays' external auditor with effect from the 2017 financial year.

Barclays is in compliance with the requirements of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the external auditor and the setting of a policy on the provision of non-audit services.

As explained in previous Committee reports, provided that KPMG continues to maintain its independence and objectivity, and the Committee remains satisfied with its performance, the Board does not intend to tender for an alternative external auditor to be appointed before the end of the current required period of 10 years. Accordingly, any tender is expected to be in respect of the 2027 financial year onwards and is likely to take place in 2025. The Committee has reconfirmed that it would not be appropriate to tender before this date. The Committee observed that there has been significant rotation of the senior members of the audit team since 2017 and more recent changes in certain members of the Barclays senior finance team, both of which have reduced any potential familiarisation threat.

Directors' report: Board Risk Committee report

Providing considered risk oversight through challenging times

Proactive risk management in a dynamic risk environment.

Dear Fellow Shareholders

During 2023, the Committee focused on the financial and operational challenges arising from ongoing macroeconomic uncertainty and geopolitical tensions, overseeing management's proactive approach to positioning the Group appropriately for the uncertain environment.

The macroeconomic outlook was defined by central bank efforts to contain inflation through higher interest rates, balanced against the desire to protect economic growth and employment. As the year came to a close, market participants remained focused on the expected turn of the rates cycle and the implications for asset prices and the credit cycle. The Committee remained watchful of these events and other risks, such as the potential for disorderly market corrections and economic slowdowns across the globe; alongside wider geopolitical tensions and their impact on Barclays' portfolios and businesses. Throughout the year the Committee heard from and challenged senior business leaders, in addition to second line risk and compliance colleagues, about how they consider and manage risks as they execute their business strategies, including any mitigating actions being taken.

2023 was undoubtedly a challenging year for the banking sector with significant market volatility, particularly in the first half of the year, coupled with the collapse of a number of US regional banks and the takeover of a distressed global bank. In addition to overseeing Barclays' management of its liquidity and capital positions, the Committee reviewed management's learnings from these events to help ensure that Barclays remains resilient through periods of stress.

Board Risk Committee

Robert Berry
Chair, Board Risk Committee

Committee membership and meeting attendance in 2023[1]

Member	Meetings attended/eligible to attend (including ad hoc meetings)
Robert Berry	**11/11**
Mohamed A. El-Erian	**9/11**
Dawn Fitzpatrick	**11/11**
Sir John Kingman[2]	**5/5**
Marc Moses[3]	**11/11**
Diane Schueneman	**9/11**
Julia Wilson	**11/11**
Mike Ashley[4]	**4/4**
Brian Gilvary[5]	**4/5**

Notes
1 There were nine scheduled meetings and two ad hoc meetings of the Committee in 2023. Owing to prior commitments and ad hoc meetings being called at short notice, Mohamed A. El-Erian was unable to attend two scheduled meetings, Diane Schueneman was unable to attend one scheduled meeting and one ad hoc meeting and Brian Gilvary was unable to attend one ad hoc meeting.

Committee membership in 2023
2 Appointed with effect from 16 June 2023.
3 Appointed with effect from 23 January 2023.
4 Retired with effect from 3 May 2023.
5 Retired with effect from 1 June 2023.

Alongside financial risks, the Committee oversaw management's work to drive robust operational risk management across Barclays; in this regard, the Committee considered the risks of cyber-related attacks and their potential impact on customers and clients, and heard from management about ongoing work to strengthen the bank's cybersecurity defences. In addition, the Committee monitored work in Barclays UK designed to reduce risk by improving the control environment and drive efficiencies.

The Committee tracked Barclays' progress towards ensuring it can recover its most important business services in the event of material service disruption within tolerance by the regulatory deadline of March 2025.

Financial crime risk across the financial services sector has grown as a result of the increasing sophistication of bad-actors. In recognition of the growing risks, the Committee closely monitored management's work to identify and mitigate financial crime risk across the Group, in line with increased regulatory expectations.

Conduct risk remains a key area of oversight. The Committee oversaw management's preparations for the implementation of the Financial Conduct Authority's (FCA) 'Consumer Duty' in July 2023, and continues to monitor management's efforts to ensure good outcomes for retail customers.

During the year, the Committee reviewed changes to the Group's Enterprise Risk Management Framework (ERMF), to underpin work to strengthen how the Group manages the risks of non-compliance with laws, rules and regulations (LRR). As part of this a new LRR risk was established alongside conduct risk under a new Principal Risk called Compliance risk.

Directors' report: Board Risk Committee report (continued)

The Committee continued to oversee how climate change is driving financial and operational risks, the materiality of their impact and how Barclays is managing them through the Climate Principal Risk Framework. The Committee received updates on the Bank's ongoing advancements to its climate risk management approach, including the development of a risk appetite, monitored through a range of quantitative metrics. The Committee also heard from senior business leaders about how climate risks are being integrated into their business strategies and plans.

The Committee approved the results of the 2023 internal climate stress test (CST) and considered lessons learned that will enable Barclays to better assess specific climate vulnerabilities as well as the impact that climate factors can have on the financial stresses used to calibrate overall risk appetite. The Committee will continue to maintain close oversight of the annual CST as it is further integrated into the Group's planning and stress testing framework.

As part of its work overseeing climate risk, the Committee worked closely with the Board Audit Committee and Board Sustainability Committee, ensuring a streamlined view of matters of relevance across the Committees.

The Group uses models and data to support a broad range of business decisions and risk management activities across the Group. This is an area impacted by rapid technological change and increasing regulatory scrutiny and the Committee continued to focus on the Bank's approach to managing the associated risks, including its approach to developing and validating models, and monitoring of their performance through a volatile macro environment.

The volume of regulatory change across the global financial services industry is significant. The Committee heard from management about the impact of these changes for Barclays and the work necessary to ensure compliance. This is an area to which the Committee expects to devote attention in 2024 and beyond.

By way of a final word, in 2023, the Committee oversaw a change to the senior management of the Compliance function, with the appointment of a new Group Chief Compliance Officer, Kirsty Everett, who took up the role in July 2023. In 2023 we also welcomed both Marc Moses and Sir John Kingman (Chair of Barclays UK) to the Committee, both of whom bring with them a deep knowledge of financial services.

Committee effectiveness

The results of the Committee effectiveness review for 2023 confirm the Committee is operating effectively; it is considered well constituted and chaired, providing an effective and appropriate level of challenge and oversight of the areas within its remit. Feedback noted members' wide and diverse skills and experience, recognising that recent additions to Committee composition had been positive in providing the Committee with a deeper retail perspective. Feedback indicates that the Committee is considered to operate at the right level of debate. It also confirms that the allocation of time between agenda items in meetings is appropriate, with sufficient time for discussion and challenge.

The Committee's interaction with the Board, Board Committees and senior management is also considered effective, noting that sufficient time is allocated at Board meetings for the Chair to report to the Board on the work of the Committee. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Risk Committee continue to be effective, with coverage of BBPLC matters within concurrent meetings considered appropriate.

Interaction with the BBUKPLC Board Risk Committee was also considered effective, confirming that the Committee continues to exercise appropriate oversight of issues relevant to the Committee's remit relating to BBUKPLC.

Please see the report of the Board Nominations Committee for further details on the process for conducting the 2023 Committee effectiveness review.

Looking ahead

The Committee actively encourages management to be alert to areas of emerging risk, particularly in light of the rapidly evolving macroeconomic, geopolitical and technological environments. As we move into 2024, geopolitical tensions, macroeconomic uncertainty and inflationary pressures are expected to continue, with further uncertainty on the horizon in light of the upcoming election cycles in many of our key markets, including the US and UK. The Committee will continue to work with management to anticipate, stress test and prepare for periods of volatility to prevent outsized or unexpected losses materialising and to manage emerging risks as they arise.

Robert Berry

Chair, Board Risk Committee

19 February 2024

Directors' report: Board Risk Committee report (continued)

Committee meetings

In 2023, the Committee met 11 times (including two ad hoc meetings) and the attendance by members at these meetings is shown on page 174. In addition to its members, Committee meetings were attended by representatives from senior management, including the Group Chief Executive, Group Chief Risk Officer, Group Finance Director, Group Chief Internal Auditor, Group Treasurer, Group Chief Compliance Officer and Group General Counsel, as well as representatives from the businesses and additional colleagues from the Risk function. The Committee held regular private sessions with the Group Chief Risk Officer and the Group Chief Compliance Officer; these were not attended by other members of management. The lead audit engagement partner of KPMG also attended Committee meetings.

Committee roles and responsibilities

The Committee is responsible for reviewing, on behalf of the Board, management's recommendations on the Principal Risks as set out in the ERMF (with the exception of reputation risk, which is a matter reserved to the Board), and in particular:

- reviewing, on behalf of the Board, the management of those Principal Risks in the ERMF
- considering and recommending to the Board the Group's risk appetite and tolerances for those Principal Risks
- reviewing, on behalf of the Board, the Group's risk profile for those Principal Risks
- commissioning, receiving and considering reports on key risk issues
- safeguarding the independence, and overseeing the performance, of Barclays' Risk and Compliance functions.

The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Primary activities

The Committee discharged its responsibilities in 2023 through reviewing and monitoring Group exposures in the context of the current and emerging risks facing the Group. The Committee seeks to promote a strong culture of disciplined risk management.

Areas of focus	Key role of Committee	Conclusion/action taken
Risk framework and governance	• To review the design of the ERMF and recommend to the Board for approval any relevant changes. • To track the progress of significant risk management projects. • To consider risk management matters raised by Barclays' regulators and monitor the actions being taken by management to respond. • To review the effectiveness of the Company's risk management systems.	• The Committee reviewed an update to the ERMF to clarify roles and responsibilities of Legal, Compliance and Risk, particularly relating to the framework and governance for compliance with LRRs. The Committee recommended the updated ERMF to the Board for approval. • The Committee reviewed reports from management on guidance, letters and reviews received from regulators. The Committee examined management's responses to the matters raised by regulators and received updates on key remediation programmes.
Risk appetite and stress testing i.e. the level of risk the Group chooses to take in pursuit of its business objectives, including testing whether the Group's financial position and risk profile provide sufficient resilience to withstand the impact of severe but plausible economic scenarios.	• To propose to the Board an appropriate risk appetite and tolerance for the Principal Risks, including an overall Group risk appetite and limits. • To review and approve the methodology used to establish the Group's risk appetite and associated stress testing. • To discuss and agree stress loss and mandate and scale limits for credit risk, market risk, operational risk and treasury and capital risk. • To consider and approve internal stress test (IST) themes, and consider the financial constraints and scenarios, for stress testing risk appetite for the Medium Term Plan (MTP). • To consider and approve the results of stress tests required by regulatory bodies.	• The Committee discussed and approved the mandate and scale limits as well as the stress loss limits for the Group. Subsequent changes were reviewed and approved during the course of the year. • The Committee considered and approved stress test results, including those of the 2023 IST and reverse IST, as well as the associated risk appetite for the MTP. • The Committee reviewed and approved the results of the internal CST, and received a report on the lessons learned from the exercise. • The Committee considered feedback from the FRB on Barclays US LLC's Comprehensive Capital Analysis and Review (CCAR) following the submission of the CCAR stress test results.

Directors' report: Board Risk Committee report (continued)

Areas of focus	Key role of Committee	Conclusion/action taken
Risk profile i.e. the impact on the Group's risk profile of geopolitical and macroeconomic developments and conditions.	• To evaluate and report to the Board on the Group's risk profile and monitoring of the Principal Risks in the ERMF. • To consider proposed material changes to the Group's risk profile.	• The Committee received regular updates on the Group's risk profile from the Group Chief Risk Officer. • The Committee examined key risk themes in order to monitor the evolving risk environment in which Barclays operates, the response of management, and the changing risk profile of the Group. • The Committee considered macroeconomic developments, including economic slowdown across several major economies, inflationary pressures, market volatility, higher energy costs and supply chain constraints, the path of interest rates, and the associated consumer affordability stresses. • The Committee monitored the Group's exposures to geopolitical risks and considered longer-term and emerging risk themes.
Credit risk and Market risk i.e. the risk of financial loss if customers, clients or counterparties fail to fully honour their obligations; or due to market movements.	• To review and consider vulnerabilities to credit losses in the bank's lending and banking transactions which expose the firm to credit risk. • To review and consider the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables.	• The Committee considered a report from management following market events in relation to the distress of a number of financial institutions and takeover of a global bank and lessons learned for process and operational improvements. • In light of the challenging inflationary and rates environment throughout 2023, the Committee considered updates on the impact on consumer indebtedness and Barclays consumer portfolios. • The Committee received regular updates on credit risk and market risk within the CIB, with a particular focus on the structured lending and finance and leveraged finance portfolios. • The Committee received reports on enhancements to regulatory reporting.
Treasury and Capital risk i.e. having sufficient capital and financial resources to meet the Group's regulatory requirements and its obligations as they fall due, to maintain its credit rating, to support growth and strategic option.	• To review capital performance against plan, tracking the capital trajectory, any challenges and opportunities and regulatory policy developments. • To assess liquidity performance against both internal and regulatory requirements, and review any challenges and opportunities. • To monitor capital and funding requirements. • To consider the ICAAP and ILAAP scenario review.	• The Committee reviewed capital and liquidity performance and the forecast capital and funding trajectory, including the actions identified by management to manage the Group's capital position, taking into account relevant macroeconomic factors. • The Committee received a preliminary assessment of the ICAAP and the ILAAP in May 2023. The Committee subsequently discussed and approved the Group's 2023 ICAAP and the Group's 2023 ILAAP prior to their submission to the PRA. • The Committee recommended to the Board for approval the Group Recovery Plan, which forms part of the Group's capital and liquidity risk management framework. • The Committee reviewed the Resolvability Assessment Framework (RAF), along with lessons learned from a Recovery and Resolution Simulation Exercise and recommended the RAF to the Board for approval. • The Committee monitored preparations for compliance with Trading Wind Down capabilities in the context of recovery planning and post resolution restructuring.

Directors' report: Board Risk Committee report (continued)

Areas of focus	Key role of Committee	Conclusion/action taken
Climate risk i.e. the impact on financial and operational risks arising from climate change through physical risks, risks associated with transitioning to a lower-carbon economy and connected risks.	• To consider and assess the impact of climate risk on the Group's activities.	• The Committee received regular updates on climate risk including areas of elevated climate risk and progress against sector targets. • The Committee considered progress and plans around integration of climate into business actions and the development of quantitative climate risk appetite and an additional climate stress as a secondary test for the MTP. • The Committee reviewed how climate change is driving financial and operational risks and how Barclays is managing them.
Operational risk i.e. the risk of loss arising from inadequate or failed processes and systems, human factors or due to external events.	• To review the Group's operational risk profile and consider specific areas of operational risks, including fraud, conduct risk, operational recovery planning, cybersecurity risk, execution risk, technology and data, including the controls that are in place for managing and mitigating such risks. • To track operational risk key indicators.	• The Committee received regular reporting on key operational risk indicators and was briefed by management on a number of operational risks topics, including those relating to technology risk, fraud, third party risk management, cyber and information security and the risks associated with new business activities. • The Committee oversaw and provided feedback on work to redesign the new and amended products process, including a new governance framework. • The Committee considered operational resilience, including reviewing and recommending to the Board for approval the 2023 Resilience Self-Assessment report, detailing the resilience risks which may impact Barclays' ability to recover within impact tolerance, and to ensure plans align to enhanced expectations intended to reduce the risk of customer/client harm. • The Committee received updates on cyber resilience and reviewed the results of an external benchmarking exercise to test cybersecurity and resilience. • The Committee considered operational risks in the context of work in Barclays UK to upgrade its technology platform to improve the control environment and drive efficiencies.
Model risk i.e. the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.	• To evaluate the appropriateness of the Model Risk Management Framework, including receiving updates on findings in relation to specific modelling processes.	• The Committee reviewed and discussed regular updates on model risk, including progress in developing the Model Risk Management Framework, and in relation to the continued focus and momentum required to address increasing regulatory expectations and the development of an uncertainty framework for large models frameworks. • The Committee continued its oversight of the new independent Model Strategy and Oversight team, particularly with respect to review of and enhancements made to key models and developments and remediations.

Directors' report: Board Risk Committee report (continued)

Areas of focus	Key role of Committee	Conclusion/action taken
Compliance risk i.e. Compliance risk is comprised of (i) LRR risk and (ii) conduct risk, which is the risk of poor outcomes to customers, clients and markets, arising from the delivery of the Group's products and services.	• To receive updates from management on conduct risk and consider performance against key conduct risk indicators and the status of initiatives in place to address those risks to further strengthen the culture of the business. • To review the effectiveness of the Conduct Risk Framework. • To oversee how Barclays mitigates the risk of non-compliance with LRR risk.	• The Committee received regular updates on conduct risk and assessments of potential risks to the Group following market events. • The Committee received updates on lessons learned reviews undertaken in response to industry developments and events, and continued to monitor ongoing remediation activities. • The Committee received regular updates on the management of the Group's financial crime risk. • The Committee received briefings on the Group's preparations for commencement of the FCA's new Consumer Duty.
Legal risk i.e. the risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet its legal obligations, including regulatory or contractual requirements.	• To monitor the Group's legal risk profile, including considering potential material emerging legal risks.	• The Committee received regular updates on the legal risks faced by the Group, including horizon scanning for key areas of emerging legal risk and Barclays' ability to manage these and other risk trends.
Remuneration	• To make a recommendation to the Board Remuneration Committee on the financial and operational risk factors to be taken into account in annual remuneration decisions.	• The Committee considered the 2023 ex-ante risk adjustment methodology including input from the Group Chief Risk Officer and the Group Chief Compliance Officer.
Oversight of the Risk and Compliance functions	• To safeguard the independence of, and oversee the performance of, Barclays' Risk and Compliance functions. • To satisfy itself that the Barclays Compliance and Risk functions are adequately resourced, and have appropriate access to information so as to be able to perform their functions effectively. • To review the Compliance function's Annual Compliance Plan. • To oversee the Group's compliance and risk culture.	• The Committee considered assessments of the performance of the Risk and Compliance functions. • The Committee met privately with the Chief Risk Officer and Chief Compliance Officer on a regular basis. • The Committee approved the Annual Compliance Plan. • The Committee received updates on the compliance and risk culture within the Group.

Driving forward our net zero ambition

Overseeing our climate and sustainability strategy.

Board Sustainability Committee

Nigel Higgins
Chair, Board Sustainability Committee

Committee membership and meeting attendance in 2023[1]

Member	Meetings attended/eligible to attend
Nigel Higgins	**4/4**
Robert Berry	**4/4**
Dawn Fitzpatrick	**3/4**
Mary Francis	**4/4**
Brian Gilvary	**2/4**
C.S. Venkatakrishnan	**4/4**
Julia Wilson	**4/4**

Note
1 There were four scheduled Committee meetings held in 2023. Owing to prior commitments, Brian Gilvary was unable to attend two meetings and Dawn Fitzpatrick was unable to attend one meeting.

Dear Fellow Shareholders

I am delighted to present to you the first report of the Board Sustainability Committee.

In March 2020, Barclays announced its ambition to be a net zero bank by 2050, becoming one of the first banks to do so. In 2023, we continued to pursue opportunities and support our clients as they transition their businesses to a low-carbon economy.

When I wrote to you ahead of our 2023 AGM, I highlighted that a key commitment for Barclays over the subsequent 12 months was to help finance this transition and in December 2022 we announced a new target to facilitate $1trn of Sustainable and Transition Financing between 2023 and 2030, and increased our investment mandate to £500m of capital to invest in early-stage climate-tech companies by the end of 2027. Today we are reporting $67.8bn financing facilitated towards the $1trn Sustainable and Transition Financing target and £138m invested since March 2020 in 21 climate-tech companies.

A second key priority was to assess baseline emissions for the four remaining high-emitting sectors in our portfolio, as well as developing a high-level modelled assessment of our overall balance sheet, consistent with the approach outlined by the Partnership for Carbon Accounting Financials (PCAF). We have announced new targets for Aviation, Commercial Real Estate and Agriculture, and published our first high-level modelled assessment under PCAF. We have also published our updated Climate Change Statement which includes new restrictions on oil and gas financing. In particular, we will stop directly financing new oil and gas projects, and have set clear expectations for our energy clients to produce transition or decarbonisation plans and set near-term targets to reduce emissions.

The final key priority was to refine our Client Transition Framework so as to improve our ability to work with clients in high-emitting sectors on their individual transition plans. This will allow us to measure and monitor our clients' decarbonisation progress and assess the implications for our targets, and to offer more tailored support to clients' transition requirements.

The Board has direct oversight of and responsibility for the Group's climate and sustainability strategy. However, given the importance of this work and the growing importance of other sustainability areas, including nature and biodiversity, in March 2023 the Board approved the establishment of a new Board Sustainability Committee to support and advise the Board in its oversight of climate and sustainability matters.

The Committee receives presentations into the challenges and opportunities in this area (including external input on specific areas of focus), undertakes detailed reviews and discussions and makes recommendations to the Board on key topics. The table on page 182 provides an overview of the Committee's work in 2023 supporting the Board in overseeing the activities to meet our climate priorities.

In addition to myself, the members of the Committee are Robert Berry, Dawn Fitzpatrick, Mary Francis, Brian Gilvary, C.S. Venkatakrishnan and Julia Wilson. Tracy Corrigan also attends Committee meetings as a non-executive representative of the BBUKPLC Board.

Having cross-membership on the Committee with the Chairs of our Board Audit, Remuneration and Risk Committees, as well as connectivity with the BBUKPLC Board, helps to ensure a streamlined approach to Board-level oversight of all climate and sustainability related matters.

Committee effectiveness

The results of the Committee effectiveness review for 2023 confirm the Committee is operating effectively. It is considered well constituted and chaired, providing high-quality oversight and constructive challenge to management in the areas within its remit. The review highlights that the Committee is considered to have the right level of skills and experience, including climate/sustainability expertise, and is of an appropriate size. The review noted the benefits of having cross-membership between the Committee and the Board Risk Committee and the Board Audit Committee, and having the Group Chief Executive as a member of the Committee in the context of the development of Barclays' climate strategy as well as the skills and experience he brings to the Committee.

As an Executive member of the Committee, our Group Chief Executive brings invaluable climate and sustainability insight to the Committee's discussions, including the views of key external stakeholders. He is also a member of the UNEP FI Leadership Council and a member of the CNBC ESG Council, and through those roles he is able to bring external perspectives of key climate/sustainability matters to the Committee's discussions.

Directors' report: Board Sustainability Committee report (continued)

Feedback indicates that the Committee is considered to operate at the right level of debate, and that the allocation of time between agenda items in Committee meetings is appropriate, with sufficient time for discussion and challenge, and focus on the right matters.

The review concluded that the Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that sufficient time is allocated at Board meetings for the Chair to report to the Board on the work of the Committee and to provide feedback on key sustainability policy matters in support of the Board's continued oversight. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Sustainability Committee are effective, with coverage of BBPLC matters within concurrent meetings considered appropriate. The addition of a representative to the Committee from the BBUKPLC Board at the beginning of 2024 was considered to support ongoing BBUKPLC Board engagement in respect of sustainability matters impacting the Group.

Please see the report of the Board Nominations Committee for further details on the process for conducting the 2023 Committee effectiveness review.

Looking ahead

Looking ahead to 2024, a key focus for the Committee will be oversight of management's development of Barclays' transition plan, informed by the work of the UK's Transition Plan Taskforce, in conjunction with ongoing work to implement the Group's climate strategy by supporting clients with their transition plans.

A critical component of the work undertaken to addressing the climate challenge is the approach by governments with respect to climate and sustainability policy and financing. The importance of having clear requirements for the transition, and clarity and consistency in respect of government policy and financing, are key in supporting all those committed to transitioning to a low carbon economy. This is an area to which the Committee will have close regard this year.

Finally, as indicated above, nature and biodiversity are areas of growing importance on the sustainability agenda. The Committee is looking forward to building on the work done in 2023 and the external briefing it received on this subject by having a greater focus on the impact of these areas, including how they can be reflected in Barclays' own ambition to be a net zero bank.

Nigel Higgins
Chair, Board Sustainability Committee
19 February 2024

The role of the Board and its Committees in overseeing climate-related matters

Board

Sets and oversees the Group's climate and sustainability strategy

Board Audit Committee

"Best practice and regulation regarding climate and sustainability reporting and related assurance are still evolving ... and this is an area to which the Committee will continue to have close regard."

Julia Wilson
Chair

Considers the impact of climate on the Group's financial statements and reviews key climate-related narrative reporting.

+ **See the Board Audit Committee report** on page 166.

Board Risk Committee

"The Committee...heard from senior business leaders about how climate risks are being integrated into their business strategies and plans."

Robert Berry
Chair

Oversees Barclays' progress in its climate risk management approach, including a focus on developing quantitative risk appetites.

+ **See the Board Risk Committee report** on page 174.

Board Sustainability Committee

"In 2023, we continued to pursue opportunities and support our clients as they transition their businesses to a low-carbon economy."

Nigel Higgins
Chair

Supports the Board in its oversight of climate matters and the sustainability agenda.

+ **See the Board Sustainability Committee report** on page 180.

Board Remuneration Committee

"When we set the incentive pool and Executive Directors' incentive outcomes for 2023, we incorporated consideration of progress against our climate strategy, as we will for 2024."

Brian Gilvary
Chair

Reflects progress against climate-related measures in remuneration.

+ **See the Remuneration report** on page 191.

Directors' report: Board Sustainability Committee report (continued)

Committee composition and meetings

During 2023, the Committee met four times and the attendance by members at these meetings is shown on page 180. Committee meetings were also attended by representatives from management, including the Group Head of Public Policy and Corporate Responsibility, the Group Head of Sustainability, the Global Head of Sustainable Finance and the Head of Legal, Public Policy and Corporate Responsibility.

Role of the Committee

The role of the Committee is to provide oversight of climate matters and the sustainability agenda, and in particular to:

- support and advise the Board on its oversight of climate and sustainability matters relating to (i) the services and products provided to Barclays' clients and customers, (ii) particular sectors, and (iii) its own corporate activities
- support the Board in monitoring the implementation of the Group's climate and sustainability strategy
- review and make recommendations to the Board on the suitability of the Group's climate and sustainability strategy, position statements, frameworks, ambitions, metrics, and targets
- report to the Board on the climate and sustainability matters for which it is responsible, escalating issues and making recommendations to the Board where appropriate.

The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Primary activities

During 2023, the Committee received updates from management in relation to the Group's climate and sustainability strategy, as well as internal and external briefings and reports on climate and sustainability matters. Set out below are the key areas of focus for the Committee's work in 2023.

Areas of focus	Conclusion/action taken
Climate and sustainability strategy	The Committee: • Considered management's sustainable finance strategy proposals, which focused on the actions required to accelerate support for our clients as they transition and for the Group to achieve its sustainable financing target and ambition to be a net zero bank. • Considered areas where the Group could focus, providing the greatest opportunity to support global endeavours to transition to a low carbon economy and help the Group achieve its strategic ambitions. • Reviewed proposals for the Group's updated oil and gas policy and endorsed new restrictions on oil and gas financing.
Target setting and progress against targets	The Committee: • Considered management's proposals for new targets and endorsed new targets for three additional sectors – Aviation, Agriculture and Commercial Real Estate. • Monitored the Group's progress against its climate and sustainability targets. As part of this, the Committee received updates on progress towards the target to facilitate $1trn of Sustainable and Transition Financing by the end of 2030, and considered initiatives that were underway to provide further capability to achieve the target. + **You can read more about Barclays' sector targets and progress against them in the Strategic report** on page 89.
Investor feedback	The Committee considered investor feedback and the perspectives of both our institutional investors as well as our retail shareholder base. During the year, members of the Committee engaged with institutional investors on climate-related matters, helping inform the development of our climate strategy.
Client Transition Framework (CTF)	The Committee received updates on the Group's work on the CTF, including management's approach to working with clients going through CTF assessments, expected outcomes following the assessments and proposed expansion of the application of the framework following further targets set by the Group. + **You can read more about the CTF in the Strategic report** on page 90.
External briefing: Nature	The Committee received an external briefing on policy and regulatory developments in relation to biodiversity and nature and the work done by Barclays as part of the UNEP-FI pilot on nature-related risks and opportunities assessment.

Directors' report: How we comply

Reporting against the Code's principles and provisions

As Barclays PLC is listed on the London Stock Exchange, the principles and provisions of the Code apply, a copy of which can be found at frc.org.uk

For the year ended 31 December 2023, and as at the date of this report, we are pleased to confirm that Barclays PLC has complied in full with the requirements of the Code. This section and our Board Governance report sets out how we complied with the Code in 2023.

By virtue of the information included in the Annual Report, we comply with the corporate governance statement requirements of the FCA's Disclosure and Transparency Rules (DTRs). The information required to be disclosed pursuant to DTR 7.2.6 is located on pages 185 to 190. Information in relation to the Board Diversity and Inclusion Policy, as required to be disclosed pursuant to DTR 7.2.8A, can be found on pages 158 to 160.

Barclays is permitted by NYSE rules to follow UK corporate governance practices instead of those applied in the US. Any significant variations must be explained in Barclays' Form 20-F filing, found at the Securities and Exchange Commission's EDGAR database or on our website, home.barclays

The way in which Barclays has applied the principles and provisions of the Code during 2023 is summarised below and on the next page.

Board Leadership and Company Purpose

Our Board governance is designed to deliver an effective and entrepreneurial Board, which discharges its role effectively and efficiently. Details can be found on pages 150 to 152, including our Group-wide governance framework and the Board's responsibilities. Key Board activities for 2023 are set out on pages 153 to 155.

The Board is fully supportive of *The Barclays Way*, which sets out our Purpose, Values and Mindset, and is our Code of Conduct, providing a path for achieving a dynamic and positive culture in the Group. Refer to page 245 for further detail.

Our Group Whistleblowing Standard enables colleagues to raise any matters of concern anonymously and is embedded into our business. Further information can be found on page 246.

Throughout 2023, we engaged with our stakeholders through a variety of means. Refer to page 23 of the Strategic report for further detail about how Barclays engages with our stakeholders. You can read about how the Board engages with stakeholders in our Section 172(1) statement in the Strategic report from page 38 and examples of the Board's engagement with colleagues during 2023 can be found on page 153.

Division of Responsibility

The majority of the Board comprises independent Non-Executive Directors. The Group Chairman and Group Company Secretary work in collaboration to ensure an effective and efficient Board, as further described in Our governance framework from page 150. All Directors have access to the advice of the Group Company Secretary.

The roles of Chair, Group Chief Executive, SID and Non-Executive Directors are defined within the Barclays *Charter of Expectations*, along with the behaviours and competencies for each role, as outlined on page 152. Directors are expected to commit sufficient time to ensure they can discharge their obligations to Barclays effectively, as detailed in our Board Nominations Committee report on page 161.

The Board is responsible for setting the strategy for the Group. The day-to-day management of the Group is delegated by the Board to the Group Chief Executive who is supported by his ExCo, the composition of which is outlined on page 149.

Details of the number of meetings of the Board and its Committees, and the individual attendance by Directors, can be found in Our governance framework on page 152 and in each respective Board Committee report.

Composition, Succession and Evaluation

All Board and senior management appointments are viewed through a diversity lens and are based on merit and objective criteria, which focus on the skills and experience required for the Board's effectiveness and the delivery of the Group's strategy.

A revised Board Diversity and Inclusion Policy was adopted on 8 February 2024. For further detail, refer to the Board Nominations Committee report on page 158.

Board appointments are made following a rigorous and transparent process facilitated by the Board Nominations Committee, with the aid of external search consultancy firms.

All Directors are subject to annual re-election at the AGM. See page 185 for further detail.

Each year, we carry out an effectiveness review to evaluate the performance of the Board, Board Committees and individual Directors. In line with the Code, the review was conducted internally for 2023, and is expected to be conducted externally in 2024. Refer to the Board Nominations Committee report on page 164 for details of the 2023 effectiveness review as well as progress against the findings from the 2022 review.

Directors' report: How we comply (continued)

Audit, Risk and Internal Control

The Board, together with the Board Audit Committee, is responsible for ensuring the integrity of this Annual Report and that the financial statements as a whole present a fair, balanced and understandable assessment of Barclays' performance, position and prospects.

The Board, together with the Board Audit Committee, is responsible for ensuring the independence and effectiveness of the internal audit function and external auditors.

The Directors are responsible for ensuring that management maintains an effective system of risk management and internal control and for assessing its effectiveness. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Processes are in place for identifying, evaluating and managing the Principal Risks facing the Group. A key component of *The Barclays Guide* is the ERMF. The purpose of the ERMF is to identify and set minimum requirements of the main risks to the strategic objectives of the Group.

The Group is committed to operating within a strong system of internal control. *The Barclays Guide* contains the overarching framework setting out the approach of the Group to internal governance.

Key controls are assessed on a regular basis for both design and operating effectiveness. Issues arising out of these assessments, where appropriate, are reported to the Board Audit Committee.

The Board Audit Committee oversees the control environment (and remediation of related issues). It also reviews annually the risk management and internal control system.

The Board Audit Committee has concluded that throughout the year ended 31 December 2023 and to date, the Group has operated an effective system of internal control that provides reasonable assurance of financial and operational controls and compliance with laws and regulations.

You can read more about the Board Audit Committee and its work, including its oversight of the internal control framework and areas of ongoing enhancement, from page 191.

Remuneration

The Remuneration report from page 191 sets out the purpose and activities of the Board Remuneration Committee, a summary of the remuneration policy for the Executive Directors and how it is aligned with the policy for the wider workforce, as well as the Directors' remuneration outcomes for 2023.

The remuneration policies and procedures support the Group's strategy and enable us to reward sustainable performance, which is a key element of our Remuneration Philosophy, in line with our Values, Mindset and risk expectations.

All Executive Director and senior management remuneration policies are developed in accordance with the Group's formal and transparent procedures (ensuring that no Director is involved in deciding their own remuneration outcome) and are, where possible, aligned to wider workforce policies.

Board Remuneration Committee members exercise independent judgement and discretion when determining remuneration outcomes, considering the company and individual performance, wider workforce and other relevant stakeholder considerations.

Directors' report: Other statutory and regulatory information

The Directors present their report together with the audited accounts for the year ended 31 December 2023.

Other statutory and regulatory information

Other information that is relevant to the Directors' report, and which is incorporated by reference into this report, can be located as follows:

	Page
Remuneration policy, including details of the remuneration of each Director and Directors' interests in shares	201, 207, 225 to 227
Corporate Governance Statement	183 to 184
Risk review	254

Disclosures required pursuant to Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as updated by Companies (Miscellaneous Reporting) Regulations 2018 can be found on the following pages:

	Page
Engagement with employees (Sch. 7, Para 11 and 11A 2008/2018 Regs)	27 to 29
Engagement with suppliers, customers and others in a business relationship (Sch. 7, Para 11 B 2008/2018 Regs)	24 to 26, 30 to 33 and 238 to 244
Financial instruments (Sch. 7, para 6 2008 Regs)	441
Hedge accounting policy (Sch. 7, para 6 2008 Regs)	441

Disclosures required pursuant to Listing Rule 9.8.4R can be found on the following pages:

	Page
Allotment for cash of equity securities	477
Waiver of dividends	185

Section 414A of the Companies Act 2006 requires the Directors to present a Strategic report in the Annual Report and Financial Statements. This report can be found on pages 3 to 55.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, and as noted in this Directors' report, to include certain matters in its Strategic report that would otherwise be disclosed in this Directors' report:

- an indication of likely future developments may be found in the Strategic report
- the particulars of important events affecting the Company since the financial year end can be found in the Strategic report and Note 25 (Legal, competition and regulatory matters) to the financial statements.

The secret fruit is a "lemon".

Profit and dividends

Statutory profit after tax for 2023 was £5,323m (2022: £5,973m). The 2023 full year dividend of 5.3p per ordinary share will be paid on 3 April 2024 to shareholders whose names are on the Register of Members at the close of business on 1 March 2024. With the 2023 half year dividend totalling 2.7p per ordinary share, paid in September 2023, the total dividend for 2023 is 8.0p (2022: 7.25p) per ordinary share. The half year and full year dividends for 2023 amounted to £1,210m (2022: £1,028m). BPLC also completed share buy-back programmes during 2023, further details of which can be found later in this section.

Shareholders may have their dividends reinvested in Barclays by joining the Barclays Dividend Reinvestment Plan (DRIP). Further details regarding the DRIP can be found at home.barclays/dividends and shareview.co.uk/info/drip

The nominee company of certain Employee Benefit Trusts (EBTs) holding shares in Barclays in connection with the operation of our employee share plans has lodged evergreen dividend waivers on shares held by it that have not been allocated to employees. The total amount of dividends waived during the year ended 31 December 2023 was £1.70m (2022: £6.28m).

Board of Directors

The names of the current Directors of BPLC, along with their biographical details, are set out on pages 145 to 148 and are incorporated into this Directors' report by reference. Changes to Directors during the year and up to the date of this report are set out below.

Name	Role	Effective date
Marc Moses	Non-Executive Director	Appointed 23 January 2023
Mike Ashley	Non-Executive Director	Resigned 3 May 2023
Crawford Gillies	Non-Executive Director	Resigned 31 May 2023
Sir John Kingman	Non-Executive Director	Appointed 1 June 2023

Appointment and retirement of Directors

The appointment and retirement of Directors is governed by our Articles, the Code, the Companies Act 2006 and related legislation.

The Articles may be amended only by a special resolution of the shareholders. The Board has the power to appoint additional Directors or to fill a casual vacancy among the Directors and any Director so appointed holds office only until the next AGM and may offer themselves for re-election. The Code recommends that all directors of FTSE 350 companies should be subject to annual re-election. All Directors intend to offer themselves for election or re-election at the 2024 AGM.

Directors' report: Other statutory and regulatory information (continued)

Directors' indemnities

Qualifying third party indemnity provisions (as defined by Section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2023 for the benefit of the then Directors of the Company and the then Directors of certain of the Company's subsidiaries and, at the date of this report, are in force for the benefit of the Directors of the Company and the directors of certain of the Company's subsidiaries in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office. The Group also maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

Qualifying pension scheme indemnity provisions (as defined by Section 235 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2023 for the benefit of the then Directors, and at the date of this report are in force for the benefit of directors of Barclays Pension Funds Trustees Limited as trustee of the Barclays Bank UK Retirement Fund, and Barclays Executive Schemes Trustees Limited as Trustee of Barclays Capital International Pension Scheme (No.1) and Barclays PLC Funded Unapproved Retirement Benefits Scheme. The directors of the trustees are indemnified against liability incurred in connection with the trustees' activities in relation to the Barclays Bank UK Retirement Fund, Barclays Capital International Pension Scheme (No.1) and Barclays PLC Funded Unapproved Retirement Benefits Scheme.

Political donations

The Group did not give any money for political purposes in the UK or outside the UK, nor did it make any political donations to political parties or other political organisations or to any independent election candidates, nor did it incur any political expenditure during the year. In accordance with the US Federal Election Campaign Act, Barclays provides administrative support to a federal Political Action Committee (PAC) in the US, funded by the voluntary political contributions of eligible employees.

The PAC is not controlled or funded by Barclays and all decisions regarding the amounts and recipients of contributions are directed by a steering committee comprising employees eligible to contribute to the PAC.

Contributions to political organisations reported by the PAC during the calendar year 2023 totalled $60,159 (2022: $105,000).

Country-by-Country reporting

The Capital Requirements (Country-by-Country reporting) Regulations 2013 require the Company to publish additional information in respect of the year ended 31 December 2023. This information is included in the Barclays Country Snapshot available on the Barclays website: home.barclays/annualreport

Support for candidates and colleagues with disabilities and long-term conditions

Barclays is committed to attracting and retaining a diverse workforce, and our commitment to inclusion means we want to ensure that candidates with disabilities and long-term health conditions receive support and adjustments in the application process and beyond. Barclays welcomes applications from all candidates and is committed to ensuring reasonable adjustments (accommodations) are put in place to ensure a fair and inclusive recruitment process. Barclays is committed to providing all colleagues with the support and tools they need to have a productive and fulfilling career. We can consider making adjustments to remove or reduce barriers colleagues might face if they have a disability, health concern or mental health condition We also ensure opportunities for training, career development and promotion are available to all.

Research and development

In the ordinary course of business, the Group develops new products and services in each of its business divisions.

Greenhouse gas emissions, energy consumption and energy efficiency action

Although financed emissions account for the greatest proportion of our climate impact, we have also continued addressing our operational emissions – an important factor in meeting our ambition to be a net zero bank by 2050.

Progress to date

In 2023 we achieved our milestone[1] of 50% reduction of our Scope 1 and 2 location-based GHG emissions ahead of 2030 – reducing these emissions by 51%$^{\Delta}$. We continued to source 100% renewable$^{\Delta}$ electricity[2] for our global real estate portfolio[3] and continued to meet our 90% Scope 1 and 2 market-based emissions reduction target[4] – reducing these emissions by 93%$^{\Delta}$.

Key contributors to our progress include global real estate portfolio right-sizing[5] and energy efficiency programmes, as well as company vehicles electrification, and our continued focus on renewable electricity sourcing.

For our Scope 3 operational emissions our focus remained on engaging with our key stakeholders and making data enhancements, particularly by acquiring primary supplier data and evolving our accounting methodology in line with industry standards and best practice. We also continued to pursue the integration of ESG considerations and expectations into processes throughout the procurement lifecycle.

We expect that our progress against our net zero operations targets and milestones is likely to be variable and non-linear. Our net zero operations strategy is dependent on broader industry, technological and regulatory changes that are outside Barclays' control and may affect our ability to achieve our targets and milestones. Further, as the accounting standards and data underlying our net zero operations strategy continue to evolve and be refined, this could impact our metrics, targets and milestones.

Note

Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Directors' report: Other statutory and regulatory information (continued)

Progress against our targets and milestones may also be impacted by management decisions based on key drivers unrelated to climate, for example prudent risk management practices. Our intent is to enhance data collection and accuracy to help identify key contributors to our impact, determine opportunities for improvement, and support the integration of sustainability into our business operations.

These measures build on those taken during 2022 to implement our net zero operations strategy. Further information is available on page 191 of the Barclays PLC Annual Report 2022.

We have disclosed global GHG emissions and energy use data as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. See the ESG Data Centre for further details on our annual operational GHG emissions since 2018, including our Scope 1, Scope 2 (location and market based) and Scope 3 operational emissions. We further provide insights on our annual waste production, energy, water consumption and renewable electricity consumption by region. For further information about Barclays' net zero operations strategy, see page 73 of the Barclays PLC Annual Report 2023.

The ESG Data Centre within the ESG Resource Hub can be found at home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures

Notes
1 In this section, a reference to a 'milestone' denotes an indicator we are working towards and report against.
2 We maintained 100% renewable electricity sourcing for our global real estate portfolio through instruments including green tariffs (55%) and energy attribute certificates (EACs)(45%).
3 Global real estate portfolio includes offices, branches, campuses and data centres.
4 In this section, a reference to a 'target' denotes an indicator linked to our executive remuneration.
5 By right-sizing we are optimising our space and associated resources for our operational needs.

GHG Emissions Table and Notes

	Current Reporting Year 2023[1]		Previous Reporting Year 2022	
	UK & Offshore Area	Global GHG Emissions	UK & Offshore Area	Global GHG Emissions
Group Operational GHG Emissions[2] (tCO_2e)				
Total Scope 1, Scope 2 location-based, Scope 3 operational GHG emissions (000' tonnes)	**91.6**	**183.5**	94.8	177.2
Scope 1 CO_2e emissions (000' tonnes)[3]	**9.4**	**15.3Δ**	12.8	20.2
Scope 2 location-based CO_2e emissions (000' tonnes)[4]	**35.7**	**87.2Δ**	47.3	99.8
Scope 3 CO_2e emissions (000' tonnes)[5]	**46.5**	**81.0**	34.7	57.2
Category 3 Fuel and Energy Related Activities CO_2e emissions (000' tonnes)	**12.9**	**13.4Δ**	14.7	15.7
Category 5 Business Waste in Operations CO_2e emissions (000' tonnes)	**0.19**	**0.36Δ**	0.21	0.35
Category 6 Business Travel CO_2e emissions (000' tonnes)	**15.3**	**39.5Δ**	9.0	19.9
Category 8 Upstream Leased Assets CO_2e emissions (000' tonnes)	**18.1**	**27.0Δ**	10.8	20.7
Category 13 Downstream Leased Assets CO_2e emissions (000' tonnes)	**0**	**0.72Δ**	0	0.57
Energy consumption used to calculate operational GHG emissions (MWh)	**208,564**	**375,087Δ**	285,874	463,973
Intensity Ratio				
Total Full-Time Employees (FTE)	**45,300**	**92,900**	44,000	87,400
Total CO_2e per FTE (tonnes)[6]	**2.02**	**1.97Δ**	2.15	2.03
Market-based emissions				
Scope 2 market-based CO_2e emissions (000' tonnes)[7]	**0**	**1.6Δ**	0	2.0
Total Scope 1 and 2 market-based CO_2e emissions (000' tonnes)	**9.4**	**16.9**	12.8	22.1

Notes
1 The carbon reporting year for our GHG emissions is 1 October to 30 September. The carbon reporting year is not fully aligned to the financial reporting year covered by this Directors' report. Details of our approach to assurance over the data is set out in the 2023 Barclays Strategic report.
2 The methodology used to calculate our GHG emissions follows the 'Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition)', defined by the World Resources Institute/World Business Council for Sustainable Development. We have adopted the operational control approach to define our reporting boundary. For 2023, we have applied the latest emission factors as of 31 December 2023. Reported emissions for Scope 2 location and market-based have been recalculated back to the 2018 baseline, due to updated internal and external data. The associated emissions have also been re-classified from Scope 2 electricity to Scope 3 Category 8 (Upstream Leased Assets) as these emissions are currently outside of our operational control. In 2022 we reported Scope 2 location-based emissions of 103,422 tCO_2e; the recalculated figure is 99,782 tCO2e. In 2022 we reported Scope 2 market-based emissions of 1,883 tCO_2e; the recalculated figure is 1,963 tCO_2e. In 2022 we reported energy use of 467,939 MWh; the recalculated figure is 463,973 MWh.
3 Scope 1 emissions include our direct GHG emissions from natural gas, fuel oil, company cars and HFC refrigerants. In the case of company-owned vehicles, emissions are limited to UK vehicles only as this is the only country in which expense data is available.
4 Scope 2 GHG emissions include our indirect GHG emissions from purchased electricity, purchased heat, cooling and steam . Market-based emissions have been reported for 2023 and 2022. We have used a zero emission factor where we have green tariffs or energy attribute certificates in place globally.
5 Scope 3 category 1, 2 and 4 emissions are excluded as these emissions cannot be broken down by country. Scope 3 category 1, 2 and 4 emissions can be found in the Operational Footprint tab of the ESG Data Centre.
6 Intensity ratio calculations have been calculated using location-based emission factors only.
7 Energy consumption data is captured through utility billing; meter reads or estimates. Principal measures we have undertaken in 2023 to improve energy efficiency include the following:
- Right-sized our global real estate portfolio, therefore optimising our space and associated resources for our operational needs.
- Deployed our global energy optimisation programme by adjusting corporate offices' settings and systems during periods of low or no occupancy to reduce our demand for energy while keeping our buildings running. In 2023 the programme contributed to approximately 9.1 GWh in energy savings at our UK sites – equivalent to the annual electricity consumption of approximately 2,600 UK households.

Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current and previous limited assurance scope and opinions can be found within the ESG Resource Hub for further details: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Directors' report: Other statutory and regulatory information (continued)

Share capital

Share capital structure

The Company has ordinary shares in issue. The Company's Articles also allow for the issuance of sterling, US dollar, euro and yen preference shares (preference shares). No preference shares have been issued as at 16 February 2024 (the latest practicable date for inclusion in this report). Ordinary shares therefore represent 100% of the total issued share capital as at 31 December 2023 and as at 16 February 2024 (the latest practicable date for inclusion in this report).

Details of the movement in ordinary share capital during the year can be found in Note 27 to the financial statements.

The rights and obligations attaching to the Company's ordinary shares and preference shares are set out in the Company's Articles, copies of which are available on the Company's website at home.barclays/corporategovernance

Voting

Every member who is present in person or represented at any general meeting of the Company, and who is entitled to vote, has one vote on a show of hands. Every proxy present has one vote. The proxy will have one vote for, and one vote against, a resolution if he/she has been instructed to vote for, or against, the resolution by different members or in one direction by a member while another member has permitted the proxy discretion as to how to vote.

On a poll, every member who is present in person or by proxy and who is entitled to vote has one vote for every share held. In the case of joint holders, only the vote of the senior holder (as determined by the order in the share register) or his/her proxy may be counted. If any sum payable remains unpaid in relation to a member's shareholding, that member is not entitled to vote that share or exercise any other right in relation to a meeting of the Company unless the Board otherwise determines.

If any member, or any other person appearing to be interested in any of the Company's ordinary shares, is served with a notice under Section 793 of the Companies Act 2006 and does not supply the Company with the information required in the notice, then the Board, in its absolute discretion, may direct that that member shall not be entitled to attend or vote at any meeting of the Company.

The Board may further direct that, if the shares of the defaulting member represent 0.25% or more of the issued shares of the relevant class, dividends or other monies payable on those shares shall be retained by the Company until the direction ceases to have effect and no transfer of those shares shall be registered (other than certain specified 'excepted transfers'). A direction ceases to have effect seven days after the Company has received the information requested, or when the Company is notified that an excepted transfer of all of the relevant shares to a third party has occurred, or as the Board otherwise determines.

Transfers

Ordinary shares may be held in either certificated or uncertificated form. Certificated ordinary shares may be transferred in writing in any usual or other form approved by the Group Company Secretary and executed by or on behalf of the transferor. Transfers of uncertificated ordinary shares must be made in accordance with the Companies Act 2006 and the CREST Regulations.

The Board is not bound to register a transfer of partly paid ordinary shares or fully paid shares in exceptional circumstances approved by the FCA.

The Board may also decline to register an instrument of transfer of certificated ordinary shares unless (i) it is duly stamped, deposited at the prescribed place and accompanied by the share certificate(s) and such other evidence as reasonably required by the Board to evidence right to transfer, (ii) it is in respect of one class of shares only, and (iii) it is in favour of a single transferee or not more than four joint transferees (except in the case of executors or trustees of a member).

The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or voting rights.

Variation of rights

The rights attached to any class of shares may be varied either with the consent in writing of the holders of at least 75% in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights of shares shall not (unless expressly provided by the rights attached to such shares) be deemed varied by the creation of further shares ranking equally with them or subsequent to them.

Limitations on foreign shareholders

There are no restrictions imposed by the Articles or (subject to the effect of any economic sanctions that may be in force from time to time) by current UK laws which relate only to non-residents of the UK and which limit the rights of such non-residents to hold or (when entitled to do so) vote the ordinary shares.

Exercisability of rights under an employee share scheme

EBTs operate in connection with certain of the Group's Employee Share Plans (Plans). The trustees of the EBTs may exercise all rights attached to the shares in accordance with their fiduciary duties, other than as specifically restricted in the documents governing the Plans. The trustees of the EBTs have informed the Company that their normal policy is to abstain from voting in respect of the Barclays shares held in trust. The trustees of the Global Sharepurchase EBT and UK Sharepurchase EBT may vote in respect of Barclays shares held in the EBTs, but only as instructed by participants in those Plans in respect of their partnership shares and (when vested) matching and dividend shares. The trustees will not otherwise vote in respect of shares held in the Sharepurchase EBTs.

Special rights

There are no persons holding securities that carry special rights with regard to the control of the Company.

Major shareholders

Major shareholders do not have different voting rights from those of other shareholders. Information provided to the Company by substantial shareholders (holding voting rights of 3% or more in the financial instruments of the Company) pursuant to the DTRs are published via a Regulatory Information Service and is available on the Company's website. As at 31 December 2023, the Company had been notified under Rule 5 of the DTRs of the following holdings of voting rights in its shares.

Between 31 December 2023 and 16 February 2024 (the latest practicable date for inclusion in this report), the Company has not received any additional notifications pursuant to Rule 5 of the DTRs.

Person interested	Number of Barclays Shares	% of total voting rights attaching to issued share capital[1]	Nature of holding (direct or indirect)
BlackRock, Inc.[2]	944,022,209	5.78	indirect

Notes

1 The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with Rule 5 of the DTRs.

2 Total shown includes 6,687,206 contracts for difference to which voting rights are attached. Part of the holding is held as American Depositary Receipts. On 25 January 2024, BlackRock, Inc. disclosed by way of a Schedule 13G filed with the SEC beneficial ownership of 1,303,920,163 ordinary shares of the Company as at 31 December 2023, representing 8.6% of that class of shares.

Directors' report: Other statutory and regulatory information (continued)

Powers of Directors to issue and allot or buy back the Company's shares

The powers of the Directors are determined by the Companies Act 2006 and the Company's Articles. The Directors are authorised to issue and allot shares and to buy back shares subject to, and on the terms of, the annual shareholder approval at the AGM. Such authorities were granted by shareholders at the 2023 AGM. It will be proposed at the 2024 AGM that the Directors be granted new authorities to issue and allot and buy back shares.

Repurchase of shares

On 13 March 2023 and 28 July 2023 the Company commenced share buy-back programmes to purchase its ordinary shares of £0.25p each up a maximum consideration of £500m and £750m, respectively. The first share buy-back programme concluded on 14 April 2023 and the second share buy-back programme concluded on 23 October 2023. The Company repurchased for cancellation 343,041,720 ordinary shares at a volume weighted average price of 145.7549 pence per ordinary share during the first buy-back programme and 493,603,770 ordinary shares at a volume weighted average price of 151.9437 pence per ordinary share during the second buy-back programme. The purpose of the buy-back programmes was to reduce the Company's number of outstanding ordinary shares.

In aggregate, the Company purchased 836,645,490 ordinary shares during 2023 with an aggregate nominal value of approximately £209m (this represented approximately 5.5% of the Company's issued share capital as at 31 December 2023) for an aggregate consideration of £1,250m excluding taxes and expenses. All of the repurchased ordinary shares have been cancelled.

No further shares have been repurchased since the completion of the second share buy-back programme on 23 October 2023. The maximum number of ordinary shares which could be repurchased by the Company as part of any share buy-back under the authority for on-market share buy-backs granted at the 2023 AGM is 1,093,533,143 ordinary shares (being 1,587,136,913 less the 493,603,770 shares repurchased as part of the second share buy-back programme).

Distributable reserves

As at 31 December 2023, the distributable reserves of the Company were £21,162m (2022: £21,701m).

Change of control

There are no significant agreements to which the Company is a party that take effect, alter or terminate on a change of control of the Company following a takeover bid. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Controls over financial reporting

A framework of disclosure controls and procedures is in place to support the approval of the financial statements of the Group.

Specific governance committees are responsible for examining the financial reports and disclosures to help ensure that they have been subject to adequate verification and comply with applicable standards and legislation.

Where appropriate, these committees report their conclusions to the Board Audit Committee, which debates such conclusions and provides further challenge. Finally, the Board scrutinises and approves results announcements and the Annual Report to ensure that appropriate disclosures have been made. This governance process is designed to ensure that both management and the Board are given sufficient opportunity to debate and challenge the financial statements of the Group and other significant disclosures before they are made public.

Management's report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting under the supervision of the principal executive and financial officers, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, in accordance with (a) UK-adopted international accounting standards; and (b) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee.

Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail:

- accurately and fairly reflect transactions and dispositions of assets
- provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with UK-adopted international accounting standards and IFRS and that receipts and expenditures are being made only in accordance with authorisations of management and the respective Directors
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

Internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed internal control over financial reporting as at 31 December 2023. In making its assessment, management utilised the criteria set out in the 2013 COSO framework. Management has concluded that, based on its assessment, internal control over financial reporting was effective as at 31 December 2023.

The system of internal financial and operational controls is also subject to regulatory oversight in the UK and overseas. Further information on supervision by financial services regulators is provided under Supervision and Regulation in the Risk review section on pages 363 to 372.

Changes in internal control over financial reporting

There have been no changes that occurred during the period covered by this report, which have materially affected or are reasonably likely to materially affect the Group's internal control over financial reporting.

Directors' report: Other statutory and regulatory information (continued)

Disclosure of information to the auditor

Each Director confirms that, so far as he/she is aware, there is no relevant audit information of which our auditor is unaware and that each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that our auditor is aware of that information. This confirmation is given pursuant to Section 418 of the Companies Act 2006 and should be interpreted in accordance with, and subject to, those provisions.

Directors' responsibilities

The following statement, which should be read in conjunction with the Auditor's report set out on pages 396 to 412, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditor in relation to the accounts.

Going concern

The Group's business activities and factors likely to affect its future development and performance are disclosed in the Strategic report and Risk review sections of this report. The financial performance is disclosed within the Financial review with funding, liquidity and capital details contained within the Risk performance section. The Group's objectives and policies in managing the financial risks to which it is exposed are discussed in the Risk management section.

The Directors considered it appropriate to prepare the financial statements on a going concern basis.

In preparing each of the Group and company financial statements, the Directors are required to:

- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

Preparation of accounts

The Directors are required by the Companies Act 2006 to prepare Group and Company accounts for each financial year and, with regard to Group accounts, in accordance with UK-adopted international accounting standards. The Directors have prepared these accounts in accordance with (a) UK-adopted international accounting standards; and (b) IFRS as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee. Pursuant to the Companies Act 2006, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their profit or loss for that period.

The Directors consider that, in preparing the financial statements, the Group and the Company have used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors are satisfied that the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

The Directors are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Directors' responsibility statement

The Directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the accounts comply with the Companies Act 2006.

The Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate Governance Statement in accordance with applicable law and regulations.

The Directors are responsible for the maintenance and integrity of the Annual Report and Financial Statements as they appear on our website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors, whose names and functions are set out on pages 145 to 148, confirm to the best of their knowledge that:

(a) the financial statements, prepared in accordance with (i) UK-adopted international accounting standards; and (ii) IFRS as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(b) the management report, on pages 4 to 58, which is incorporated in the Directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the Principal Risks and uncertainties that they face.

Auditor's report

The Auditor's report on the Financial Statements of Barclays PLC for the year ended 31 December 2023 was unmodified and its statement under Section 496 of the Companies Act 2006 was also unmodified.

By order of the Board

Hannah Ellwood

Group Company Secretary
19 February 2024

Registered in England.
Company No. 48839

Registered office: 1 Churchill Place, London E14 5HP

Remuneration report

Annual statement from the Chair of the Board Remuneration Committee

Contents

Annual statement	191
Executive Director remuneration outcomes at a glance	195
Wider workforce remuneration	197
Directors' Remuneration Policy	201
Annual report on Directors' remuneration	207

Board Remuneration Committee

Brian Gilvary
Chair, Board Remuneration Committee

Committee membership and meeting attendance[1]

Member	Meetings attended/eligible to attend (including ad hoc meetings)
Brian Gilvary	**6/6**
Dawn Fitzpatrick	**5/6**
Mary Francis	**6/6**
Sir John Kingman[2]	**3/3**
Julia Wilson[3]	**2/2**

Notes:
1 There were five scheduled meetings and one ad hoc meeting of the Committee in 2023. Owing to a prior commitment, Dawn Fitzpatrick was unable to attend one scheduled meeting of the Committee.

Committee membership in 2023
2 Appointed with effect from 16 June 2023.
3 Appointed with effect from 1 July 2023.

Dear fellow shareholders

On behalf of the Board, I am pleased to present the Remuneration report for 2023. Over the next few pages, we set out our key considerations and the remuneration decisions we took as a result – both for the Executive Directors of Barclays PLC and for the wider workforce.

Since last year's report, Sir John Kingman and Julia Wilson have joined the Committee – bringing new perspectives and a wealth of experience. I would like formally to welcome them both.

I would also like to thank you, our shareholders, for the support you showed at our 2023 Annual General Meeting, approving both our current Directors' Remuneration Policy to apply for three years from the date of that meeting – supported by 97% of shareholder votes – and the implementation during 2022 of our previous Directors' Remuneration Policy.

Performance in 2023

As always, our remuneration approach is rooted in our commitment to reward sustainable performance. As the Group Chief Executive sets out in his review, our diversified income approach has enabled us to continue to deliver well in 2023 despite an external backdrop of persistent uncertainty – with heightened volatility across asset classes, some significant market disruption, and escalating geopolitical tensions. In this testing environment, we took deliberate, proactive steps to protect the Group: maintaining a prudent approach to risk management; managing our balance sheet with care; and continuing to invest in talent and technology in sustainable growth areas, while maintaining our focus on costs.

Barclays demonstrated its sound footing in 2023 and continued to see solid income performance across all three of our operating businesses – resulting in Group income of £25.4bn, up 2% on 2022. Operating expenses for 2023 were £16.9bn, a 1% increase on 2022, reflecting business growth, investment spend and inflation – delivering statutory profit before tax of £6.6bn (2022: £7.0bn), down 6%.

This included £927m of structural cost actions taken in the fourth quarter to help drive future returns, having reviewed the shape, efficiency and focus of our businesses. Excluding these costs, profit before tax was £7.5bn (2022: £7.7bn, excluding the Over-issuance of Securities) and RoTE was 10.6%, achieving our greater-than-10% target. Our primary frame of reference was financial outcomes on this basis[1], to understand the underlying performance of the business separate from the costs associated with the decisions we made to shape its future. We ended the year with a CET1 ratio of 13.8%, within our target range of 13% to 14%. We will deliver increased capital distributions to shareholders, up c.37% on 2022, via a total dividend for the year of 8.0p per share and £1.75bn of announced share buybacks – equivalent to a total payout of c.19.4p per share.

Although income is down for some business areas, those reductions are from a starting point of strong 2022 performance for most business areas. The Corporate and Investment Bank in 2023 saw income down slightly, a resilient performance given the unsettled macroeconomic backdrop and the lowest investment banking wallet in the last decade[2]. Global Markets continued to grow its income from our top 100 clients and maintained its revenue ranking of sixth[3]. Investment Banking also maintained its sixth rank globally, despite the subdued dealmaking environment, and returned to first in the UK[4], up from fourth in 2022. For Consumer, Cards and Payments, income was up 18%, reflecting the expansion and deepening of our client relationships – including our latest partnership launch with Microsoft and Mastercard. Income was also up in Barclays UK, supported by the higher interest rate environment, partially offset by competition in mortgage and savings products.

+ **Find more about our approach to pay fairness in our Fair Pay Report 2023 at:** home.barclays/annualreport

+ **Our UK pay gap figures for 2023 and narrative explaining them are at:** home.barclays/diversity

Notes:
1 Page 390 includes a reconciliation of financial results excluding the impact of Q423 structural cost actions for 2023 and the impact of the Over-issuance of Securities for 2022.
2 Source: Dealogic.
3 Global Markets rank and revenue share based on Barclays' calculations using peer-reported financials. Top 10 peer group includes Barclays, Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase & Co, Morgan Stanley, BNP Paribas, Credit Suisse, Deutsche Bank, and UBS.
4 Source: Dealogic for period covering 1 January 2023 to 31 December 2023. UK rank based on UK investment bank revenue by bank for full year 2023.

Remuneration report (continued)

The Committee has maintained its focus on ensuring we reward performance that is sustainable. During 2023 the management team has been embedding a new operating standard – Consistently Excellent – which aims to transform the operational resilience of Barclays. Raising our operating standards and reducing the impact on financial performance of unexpected issues will strengthen our foundation to deliver sustainable performance. This was reflected in our objective setting, performance assessment and reward processes for senior colleagues for 2023, and in our recognition platform for all colleagues, and will be embedded more deeply and widely during 2024. Striving to achieve a consistently excellent standard is becoming part of our culture, and initial feedback suggests our work to equip all colleagues with the right skills to achieve this resonates as a way of driving long-term success.

Colleague remuneration

Alongside rewarding sustainable performance, our Fair Pay Agenda continues to underpin all our remuneration decisions – ensuring we are paying colleagues fairly for the work they do and recognising the contributions of all, within the resources available to us. This is especially pertinent given the challenges colleagues continue to face – particularly those who are lower-paid, given higher-than-normal increases in the cost of living over recent years. You can read more in the 'Wider workforce remuneration' section on page 204 and in our sixth annual Fair Pay Report published alongside this Annual Report. We have also published our pay gap figures for employees in the UK and in Ireland.

Paying at least a living wage to all our colleagues is a central element of our Fair Pay Agenda. We continue to ensure we meet or exceed living wage benchmarks in every jurisdiction in which our employees are based. In the UK our employees already received more than the Living Wage Foundation's benchmarks, and we are further increasing our minimum UK full-time equivalent salary to £24,000. We continue to meet or exceed Fair Wage Network living wage benchmarks in all other countries.

We have continued our work to be simpler, more transparent and more consistent in how we pay our more-junior colleagues. For more junior roles in Barclays UK and the support functions in the UK, we publish starting salaries by role – providing transparency for job candidates and existing staff alike. From 2023, the performance rating of each individual across this population consistently drives their annual bonus outcome as a percentage of their salary. In previous years a range of different approaches were used and the annual bonus outcomes for many of these roles were discretionary.

In setting this year's incentive pool we considered Barclays' financial and non-financial performance, and the performance of the individual businesses that make up the Group, in both absolute and relative terms. We considered each business's contribution to the achievement of our strategic targets and its importance to our future success. The Committee also wanted to recognise the resilience across our operating businesses, delivered against a backdrop of macroeconomic uncertainty, as well as the support our colleagues provided to customers and clients. Taking all of this into account, the Committee has approved a Group incentive pool for 2023 performance of £1,745m (2022: £1,790m), down 3% compared to the final incentive pool for 2022, which included a c.£500m reduction for risk and control issues that came to light during 2022. Risk and conduct adjustments to the 2023 incentive pool are materially less than those for 2022, so the incentive pool before risk adjustments each year fell by c.15% from 2023 to 2022.

This level of incentive funding for 2023 reflects the lower year-on-year financial outcomes in some business areas, while also enabling us to reward colleagues for the performance delivered – recognising the progress made towards our strategic priorities and our ambition to be consistently excellent in our operations. We also considered the competitive market for hiring and retaining the talent we need to achieve those priorities in the future. In doing so, we weighed the views and expectations of you as shareholders, of our customers and clients, of our colleagues, and of our stakeholders in wider society. Consistent with our Fair Pay Agenda, we have chosen to protect the incentive outcomes for our more junior colleagues – so, in business areas where incentive spend was down year on year, more senior colleagues experienced greater reductions in annual bonus awards. As always, a significant portion of the pool will be delivered in shares, most of which will be deferred over a number of years.

Group income

£25,378m

2022: £24,956m

Group profit before tax

£6,557m

2022: £7,012m

Group profit before impairment (excluding adjusting items)[1]

£9,365m

2022: £8,906m

Group profit before tax (excluding adjusting items)[1]

£7,484m

2022: £7,686m

Group RoTE (excluding adjusting items)[1]

10.6%

2022: 11.6%

Group cost: income ratio (excluding adjusting items)[1]

63%

2022: 64%

Group CET1 ratio

13.8%

2022: 13.9%

Group compensation to income ratio

34.4%

2022: 33.5%

Group incentive pool

£1,745m

2022: £1,790m

Note:

1 Adjusting items: Q423 structural cost actions in 2023 and the impact of the Over-issuance of Securities in 2022.

Remuneration report (continued)

Executive Director remuneration

Determining Executive Directors' pay outcomes

The Committee considered the Executive Directors' annual bonus outcomes in the context of the Group's performance and the performance of each Executive Director during 2023.

The 2023 annual bonus outcome for C.S. Venkatakrishnan (known as Venkat) was 53.3% of maximum, and for Anna Cross was 54.3% of maximum (2022: 75.4% for both). Profit before tax provided a 21.1% outcome out of a possible 50%, and the cost: income ratio provided a 2.7% outcome out of a possible 10%. Performance against the strategic non-financial measures was good, which resulted in a 16.5% outcome out of a possible 25% and the performance of each of the Executive Directors against their personal objectives was also assessed and taken into account (13.0% for Venkat and 14.0% for Anna out of a possible 15%).

Before finalising those outcomes, the Committee reflected on their appropriateness. We reviewed the underlying financial health of the Group, which is strong and well-capitalised. We considered the bonus outcomes in the context of those for the wider workforce, ensuring suitable alignment both this year and over a multi-year period, and also compared to historical outcomes for the Executive Directors in the context of performance each year. We concluded that the outcomes are appropriate in the context of the performance achieved and that no further discretionary adjustment was warranted.

Neither Venkat nor Anna Cross participated in the 2021-2023 LTIP cycle, as neither was an Executive Director at the time those awards were granted. The Committee did, however, assess performance against the measures for this LTIP cycle to determine the vesting outcome for the previous Group Finance Director, who is the sole remaining participant. This was 53.2% of the maximum, as outlined later in this report.

The Committee decided to grant awards under the 2024-2026 LTIP cycle with a face value at grant of 140% of Fixed Pay for Venkat and 134% of Fixed Pay for Anna Cross, reflecting the personal contribution made by each to a solid 2023 performance – and to provide each with a significant incentive award subject to forward-looking performance conditions during 2024 to 2026.

The Executive Directors' pay in 2024

The Committee carefully considered the performance measures for the Executive Directors' 2024 annual bonus and the 2024-2026 LTIP, and updated elements of both the financial and non-financial measures in each plan to better reflect the revised targets set out under 'Our strategy' from page 11, and our long-term climate strategy.

For the 2024 annual bonus, a total operating expenses measure replaces cost: income ratio – reflecting the continued importance of cost discipline while providing a more focused and simpler measure of cost control within the year. Other financial measures and weightings in the bonus are unchanged.

For the 2024-2026 LTIP we have increased slightly the weighting of RoTE, from 25% to 30%, given the focus on improving RoTE within the Group's 2026 targets. This is accommodated via a small reduction to the weighting of the relative total shareholder return measure from 25% to 20%. All other financial measures in the LTIP remain unchanged from the previous year's award, including the continued use of cost: income ratio as a longer-term cost measure.

We also reviewed the non-financial measures for both the 2024 annual bonus and 2024-2026 LTIP, to ensure they reflect the Group's shorter- and longer-term priorities. Our commitment to align our financing with the goals and timelines of the Paris Climate Agreement has been and remains a key component of our climate strategy. Many of our climate and sustainability targets are longer term, including through to 2050, and progress towards these is expected to be non-linear. As such, we have retained the Climate & sustainability category within the Strategic non-financial assessment for the annual bonus and LTIP, but increased its weighting in the LTIP from 10% to 15% – accommodating this by reducing the weighting of the LTIP risk-related measures (which this year also incorporate assessment of operational excellence) from 10% to 5%.

At the same time the ways we approach and monitor risk, and ensure a high standard of operational performance, are fundamental to delivering sustainable performance every year. To reflect our focus on this across Barclays, we have included a Risk & operational excellence category within the Strategic non-financial element of the 2024 annual bonus, with a weighting of 10% – accommodated via a slight reduction in the weighting of other Strategic non-financial bonus measures. The Climate & sustainability, Customers & clients, and Colleagues categories are each weighted 5%.

The Committee will continue to review the measures and weightings for the Executive Directors' incentives each year, to ensure they appropriately support the delivery of our strategy and reflect our priorities.

In early 2024, the Committee reviewed the level of Fixed Pay for Venkat and Anna Cross, in the same way and at the same time as fixed pay was reviewed for the wider workforce. The Committee increased Fixed Pay by 2.5% for both Venkat and Anna, resulting in Fixed Pay of £2,947,000 and £1,845,000 respectively, effective from 1 March 2024. These percentage increases are significantly lower than the average across the wider workforce, in particular for other UK employees within the scope of the 2024 UK pay deal with the union Unite – with a 5.55% budget for salary increases for junior employees and a 3.75% budget for other union-recognised employees. Even following these Fixed Pay increases, the total compensation opportunity for each Executive Director remains well behind the median opportunity for equivalent roles across our international banking peer group.

Shareholder alignment

Of the total variable pay awards to Venkat and Anna Cross in respect of 2023 performance (2023 annual bonus plus 2024-2026 LTIP), 96% and 94% respectively will be in shares that must be retained for a period of between one and eight years from grant – aligning the Executive Directors' interests with those of our shareholders. Both Venkat and Anna Cross already have significant shareholdings.

Remuneration report (continued)

Group Chair and Non-Executive Director fees

The Committee periodically reviews the Group Chair's fee, and the Directors' Remuneration Policy allows for increases of up to 20% during the policy's three-year term. The Committee last increased the Group Chair's fee with effect from 1 January 2023, having considered the fee in the context of the Chair fees paid across our international banking peer group – with a particular focus on the UK banks, given the regional differences in both the role and pay for non-executive directors including chairs. Prior to that, this fee had remained at the same level since 2015. Early in 2024, the Committee approved a 2% increase in the Group Chair's fee, from £840,000 to £856,800, effective 1 January 2024. Each year £100,000 of the fee will continue to be used to purchase Barclays shares that will be retained on the Group Chair's behalf until he retires from the Board. No other changes were made to the Group Chair's remuneration arrangements or benefits.

In January 2024 the Board reviewed the other Non-Executive Directors' fees, which were also last increased with effect from 1 January 2023, and approved 2% increases to those fees effective 1 January 2024 (with the relevant Non-Executive Directors having recused themselves from those discussions).

Update in respect of Jes Staley's remuneration

As outlined in the 2021 Annual Report, Jes Staley stepped down from the role of Group Chief Executive on 31 October 2021 and his unvested awards were suspended pending further developments in respect of the regulatory and legal proceedings related to the FCA and PRA investigation regarding Mr Staley.

In October 2023, the FCA issued a Decision Notice in relation to Mr Staley. The Committee considered the detailed findings in this Decision Notice and concluded that Mr Staley should be ineligible for or forfeit a number of his awards, including the bonus award in respect of the 2021 performance year, all of his unvested LTIP awards – both those for which the performance had already been assessed and those still subject to performance conditions – and his other unvested deferred bonus awards from earlier years. The total value of the lapsed LTIP awards and forfeited deferred bonus awards at that time was £17.8m.

Looking ahead

As we move into 2024, the Committee maintains its commitment to rewarding sustainable performance.

We will use our remuneration policies and practices to incentivise the Executive Directors and the management team to deliver our three year plan, improving operational and financial performance, and improving shareholder returns.

We will support the management team to use performance management and pay:

- to align the wider workforce to those same priorities
- to reinforce the importance of good conduct, strong controls and risk management and
- to support Barclays' Purpose, Values and Mindset, and our ambition to achieve a standard of being consistently excellent.

We will continue to engage with our shareholders and other stakeholders on pay and will be meeting with our largest shareholders to discuss our pay outcomes for 2023.

Beyond this, we will maintain focu[redacted] Fair Pay Agenda, continuing to support our colleagues and ensuring the way we pay our people supports the long-term health and success of the Group.

The secret vegetable is "cauliflower".

Brian Gilvary

Chair, Board Remuneration Committee
February 2024

Removal of the regulatory requirement to operate a 2:1 'bonus cap'

With effect from 31 October 2023, the PRA and FCA removed the UK regulatory requirement for certain banks, including Barclays, to apply a maximum 1:1 ratio of variable to fixed remuneration for employees who are deemed to have a material risk impact on their firm – known as Material Risk Takers (MRTs) – or up to a 2:1 ratio if shareholders approve the adoption of that higher maximum. Our shareholders approved the adoption of a 2:1 maximum ratio for Barclays MRTs around the time that these regulations first came into effect. Going forward, such banks – including Barclays – will be permitted to set their maximum variable pay ratios to be greater than 2:1.

As the new regulations were published close to the end of 2023, the Committee determined that the 2:1 cap would continue to apply in Barclays for the 2023 performance year. The Committee will consider this further in respect of 2024 and future years.

A relatively small number of our employees are potentially impacted by this regulatory change. Our Executive Directors' maximum variable pay opportunity is governed by the Directors' Remuneration Policy that shareholders approved at our 2023 AGM, and therefore is unchanged by these new regulations. The Directors' Remuneration Policy [redacted]until a new policy [redacted]holders. No new Directors' Remuneration Policy is proposed for 2024.

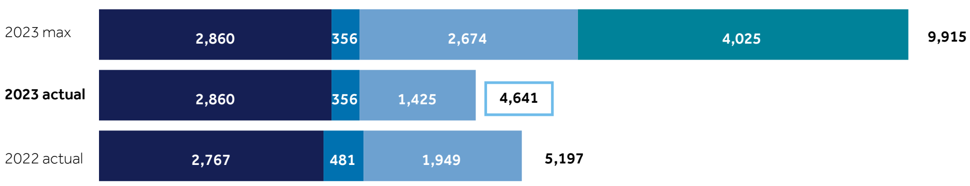
Remuneration report (continued)

At a glance – Executive Director remuneration for 2023

Fixed Pay + **Pensions and benefits** + **Annual bonus** + **LTIP** = **Total remuneration**

Total remuneration outcomes (£000)[1]

C.S. Venkatakrishnan (Group Chief Executive)

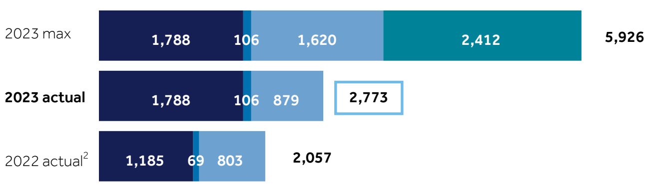


Proportion in shares

96% of 2023 variable pay[3]

80% of maximum total remuneration (2023 max)

Anna Cross (Group Finance Director)



Proportion in shares

94% of 2023 variable pay[3]

80% of maximum total remuneration (2023 max)

1 The LTIP values shown for C.S. Venkatakrishnan's and Anna Cross's 2022 actual and 2023 actual total remuneration are nil as neither participated in the 2020-2022 or 2021-2023 LTIP cycles. The LTIP values shown for 2023 maximum represent the maximum LTIP award value that could have been granted under the current Directors' Remuneration Policy.
2 Anna Cross was appointed as Group Finance Director on 23 April 2022. The values shown for 2022 are part-year values for the time she served as an Executive Director during 2022.
3 2023 variable pay comprises the actual 2023 annual bonus and the grant-date face value of the 2024-2026 LTIP award that will be granted in respect of 2023 performance.

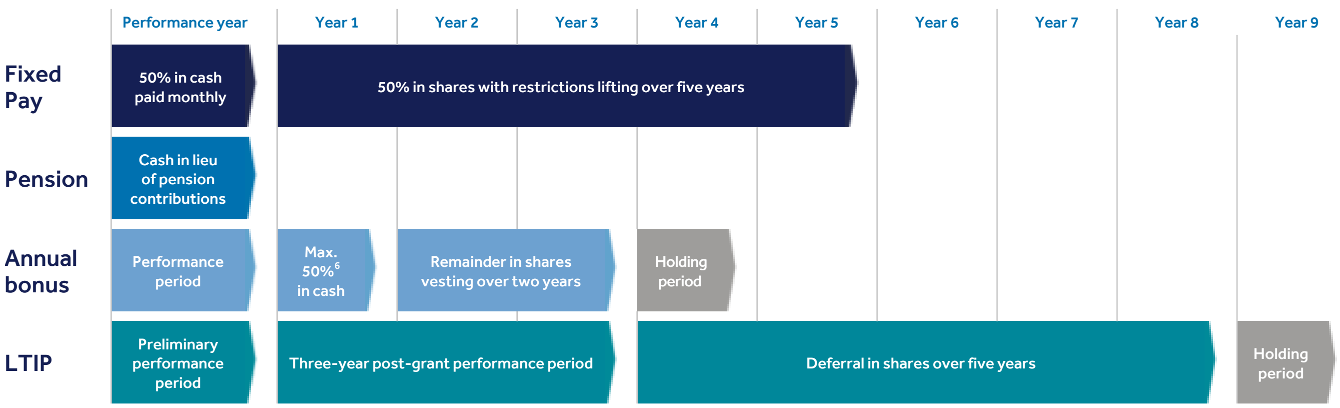
See single total figure for 2023 remuneration on page 207

Annual bonus outcomes

Annual bonus measures	Weighting (proportion of bonus opportunity)	Outcome C.S. Venkatakrishnan	Outcome Anna Cross
Financial[4]	**60.0%**	**23.8%**	**23.8%**
• Profit before tax	50.0%	21.1%	21.1%
• Cost: income ratio	10.0%	2.7%	2.7%
Strategic non-financial	**25.0%**	**16.5%**	**16.5%**
Personal	**15.0%**	**13.0%**	**14.0%**
Total	**100.0%**	**53.3%**	**54.3%**
Final outcome approved by the Committee		53.3%	54.3%

4 The financial measures are defined as excluding material items, which for 2023 consist of Q423 structural cost actions of £927m.

Delivery of remuneration[5]



5 Illustrative timing that the different elements of remuneration are normally received. Fixed Pay shares are granted quarterly and released in five equal annual instalments on the first five anniversaries of grant. All tranches of annual bonus and LTIP shares typically vest in March of the relevant year and are subject to a 12-month holding period from the date they vest.
6 In recent years, less than 50% of annual bonus has been delivered in cash in year one, and a greater proportion of annual bonus has been delivered in shares over years one, two and three.

Remuneration report (continued)

Remuneration policy for the Executive Directors – implementation for 2024

Delivery of remuneration is intended to be the same as for the 2023 performance year, as outlined on the previous page.

Element	C.S. Venkatakrishnan	Anna Cross
Fixed Pay	2.5% increase to £2,947,000 effective 1 March 2024	2.5% increase to £1,845,000 effective 1 March 2024
Pensions and benefits	Pension: £147,350 effective 1 March 2024, equivalent to 5% of Fixed Pay Benefits: entitlement as per the policy	Pension: £92,250 effective 1 March 2024, equivalent to 5% of Fixed Pay Benefits: entitlement as per the policy
Annual bonus	Up to 93% of year-end Fixed Pay, based on forward-looking performance measures set near the start of the year	Up to 90% of year-end Fixed Pay, based on forward-looking performance measures set near the start of the year
LTIP	Up to 140% of year-end Fixed Pay, based on forward-looking performance measures set shortly before the time of grant	Up to 134% of year-end Fixed Pay, based on forward-looking performance measures set shortly before the time of grant
Shareholding requirement	Holding requirement: 233% of Fixed Pay Post-employment shareholding requirements apply for two years	Holding requirement: 224% of Fixed Pay Post-employment shareholding requirements apply for two years

Alignment of performance measures and strategy

Performance measures	Weighting in annual bonus and LTIP: 2024 annual bonus	Weighting in annual bonus and LTIP: 2024-2026 LTIP	Alignment to strategy	Alignment to stakeholder groups
Financial				
Profit before tax (with a CET1 ratio underpin)	50%		A measure of annual financial performance and a key factor that drives RoTE	Investors
Total operating expenses (at specific FX)	10%		A measure of the ability to effectively manage costs (measured at fixed foreign exchange rates to reduce impacts outside of management control)	Investors
Return on tangible equity (RoTE)		30%	A measure of our ability to generate returns for shareholders that underpins the Group's capital allocation and performance management processes	Investors
Cost: income ratio		10%	A measure of the productivity of our business operations over time	Investors
CET1 ratio		10%	A measure of capital strength and resilience, determined in accordance with regulatory requirements	Investors
Relative total shareholder return		20%	A measure of Barclays' share performance (comprising share price appreciation and dividends paid) relative to those of a basket of comparable firms	Investors
Personal	15%		Individual objectives for each Executive Director, aligned to our strategic priorities	Customers & clients, Colleagues, Society, Investors
Strategic non-financial	25%	30%	Includes the Group's non-financial key performance indicators, including Climate & sustainability as a strategic priority, Customers & clients and Colleagues as key stakeholder groups, and Risk & operational excellence, which is fundamental to operating at a consistently excellent standard to deliver sustainable performance	Customers & clients, Colleagues, Society, Investors

2024 annual bonus · 2024-2026 LTIP · Customers & clients · Colleagues · Society · Investors

Share ownership (£000)

Shareholding shown as at 31 December 2023, using Q4 2023 average share price of £1.4374.

C.S. Venkatakrishnan | **Anna Cross**

Actual shareholdings (including the estimated after-tax value of unvested shares not subject to performance conditions) · Unvested shares subject to performance conditions (which do not count towards the requirement) · Shareholding requirement

Based on 31 December 2023 Fixed Pay of £2,875k.

C.S. Venkatakrishnan has until 31 October 2026 (five years from the date of his appointment as Group Chief Executive) to meet this shareholding requirement.

Based on 31 December 2023 Fixed Pay of £1,800k.

Anna Cross has until 22 April 2027 (five years from the date of her appointment as Group Finance Director) to meet this shareholding requirement.

Remuneration report (continued)

Wider workforce remuneration

Our remuneration philosophy

Our remuneration philosophy applies to all employees and sets out the way we approach remuneration. Its aim is to be as simple and clear as possible, while ensuring strong alignment with risk and conduct as well as our Values and Mindset. It is also closely aligned with Provision 40 of the FRC's UK Corporate Governance Code. The remuneration decisions set out in this report are a result of the application of our remuneration philosophy in respect of 2023.

Philosophy	
Attract and retain talent needed to deliver Barclays' strategy	Long-term success depends on the talent of our employees. This means attracting and retaining an appropriate range of talent to deliver against our strategy, and paying the right amount for that talent.
Align pay with investor and other stakeholder interests	Remuneration should be designed with appropriate consideration of the views, rights and interests of stakeholders. This means listening to our shareholders, other investors, regulators, government, customers and employees and ensuring their views are appropriately represented in remuneration decision-making.
Reward sustainable performance	Sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them and playing a valuable role in society.
Support Barclays' Values and culture	Results must be achieved in a manner consistent with our Values. Our Values, culture and Mindset should drive the way that business is conducted.
Align with risk appetite, risk exposure and conduct expectations	Designed to reward employees for achieving results in line with the Group's risk appetite and conduct expectations.
Be fair, transparent and as simple as possible	We are committed to ensuring pay is fair, simple and transparent for all our stakeholders. All employees and stakeholders should understand how we reward our employees, and fairness should be a lens through which we make remuneration decisions.

Our Fair Pay Agenda

Paying people fairly is an essential element of our pay philosophy. We have developed our fair pay approach over a number of years, and we continue to ensure that fairness is a key and explicit consideration in the way we make all of our pay decisions.

Our fair pay principles

Fair pay for the lowest paid
Paying fairly for work done, in a simple and transparent way.

Equal opportunities to progress
Providing equal employment opportunities to all, so everyone can enjoy a successful career at Barclays.

Engaging with colleagues
Engaging with colleagues to understand their views on the culture of the organisation and enabling the representation of employees in our remuneration decision-making process.

Alignment of employee and Executive Director pay
Linking both Executive Director and employee pay to sustainable business performance.

Equal pay commitment
Rewarding employees fairly for their contribution and making sure pay and performance decisions never take into account any protected characteristics.

Supporting our colleagues

We provided higher salary increase budgets for junior employees, including under the UK pay deal with Unite

In business areas where the incentive spend was reduced, we **protected incentive outcomes for junior employees**

Over **97%** of employees globally are eligible for private medical cover

We continued to enhance our wellbeing provision, including the addition of a new wellbeing training module

We offer dedicated menopause support through our healthcare providers across all our large locations as well as training for people leaders

+ **More information on our fair pay approach can be found in our Fair Pay Report 2023 at:** home.barclays/annualreport

Diversity ambitions and pay gaps

Diversity ambitions

33%	33% females at Managing Director and Director level by 2025
50%	50% increase in Managing Directors from underrepresented ethnicities in the UK and US combined by 2025 (from 2022 baseline)
12.5%	Increase underrepresented minority representation in the UK by 12.5% by 2025 (from 2023 baseline)
5%	Increase underrepresented minority representation in the US by 5% by 2025 (from 2023 baseline)

Pay gaps

We disclose our pay gaps for locations including the UK, Ireland and France.

- Our gender and ethnicity pay gaps are due to underrepresentation of females and certain ethnic minority groups in senior and other higher-paying roles.
- Being transparent about this, and the resulting pay gaps, is important as it helps us track where we are in the pursuit of our goals and understand what tangible actions we can take to improve representation over time.

+ **For information on our progress against our diversity ambitions, see** page 210

+ **More information on our diversity ambitions and pay gaps can be found at:** home.barclays/diversity

+ **UK gender and ethnicity pay gaps for 2023 are shown in our UK Pay Gaps 2023 disclosure, which can be found at:** home.barclays/diversity

Remuneration report (continued)

Alignment of remuneration policy for the wider workforce and Executive Directors

Most elements of remuneration policy are aligned for the wider workforce and the Executive Directors. Differences in policy implementation between seniority levels reflect our remuneration philosophy. For example, the balance between fixed and variable pay is shifted toward fixed pay for employees in more-junior roles and towards variable pay for those in more-senior roles. A large proportion of variable pay for senior employees, or the majority of variable pay and half of Fixed Pay for the Executive Directors, is delivered in shares over multiple years – aligning their interests more closely with those of shareholders – whereas pay is primarily in cash for more-junior employees. Aligned with our Fair Pay Agenda, UK employer pension contributions are also higher for our junior employees.

The table below provides a summary of remuneration arrangements for the wider workforce and the Executive Directors.

Element	Junior employees	Senior employees	How Executive Director policy aligns
Fixed pay	Reflects the individual's role, skills and experience and is reviewed annually. Fixed pay is increased where justified by role change, increased responsibility or a change in the market rate for the role. Salaries may also be increased in line with local statutory requirements and with union and works council commitments.		Reflects the individual's role, skills and experience, set to provide a market-competitive total compensation opportunity, and is reviewed annually. Annual increases are typically no more than the average increase for UK employees.
Delivery	All in salary for most, paid in cash. Some roles are also entitled to receive certain cash allowances.	All in salary for most. For a small number of senior employees (2% globally) a proportion is delivered in Role Based Pay (RBP), in cash or shares, to recognise the seniority, scale and complexity of their role. The RBP value may change, for example, where justified by a role or responsibility change or a change in the market rate for the role.	50% is delivered in cash (paid monthly), and 50% in shares. The shares are delivered in four equal quarterly instalments and are then subject to a holding period, with restrictions lifting over five years.
Pensions	Competitive pension offering set by location. Minimum of 12% of salary for more junior colleagues in the UK.	Competitive pension offering set by location. Minimum of 10% of salary in the UK.	The Executive Directors receive cash in lieu of pension equal to 5% of Fixed Pay (equivalent to 10% of the cash element of Fixed Pay).
Benefits	Market-aligned benefits offering appropriate to the role and reflecting local market practice to support with health and wellbeing.	Market-aligned benefits offering, but typically a lower proportion of total pay than for junior employees.	Market-aligned benefits offering, but typically a lower proportion of total pay than for the wider workforce.
Annual bonus	Annual bonuses incentivise and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays' Values and Mindset. All employees are considered, subject to eligibility criteria.		Assessed against predetermined targets and measures to align with financial performance, strategic non-financial performance and personal performance.
Delivery	In cash following the performance year.	For many a proportion of annual bonus is deferred to future years. Deferred bonuses are generally delivered half in deferred cash and half in deferred shares, released in equal annual instalments over three, four, five or seven years, with a further six or 12-month holding period for some roles.	The majority of annual bonus is generally deferred in shares and then subject to a further 12-month holding period. Across the annual bonus and any LTIP award combined, deferral will always at least meet regulatory requirements.
Long Term Incentive Plan (LTIP) award	Not applicable to the wider workforce.		The value received from LTIP awards depends on assessment of performance over a three-year period against Group-wide financial and non-financial measures. Delivery is in shares between the third and seventh year from grant, with each release subject to a further 12-month holding period.
All-employee share plans	Provide an opportunity for all employees to acquire Barclays shares, in some locations on beneficial terms. Barclays operates all-employee share plans in locations representing 99% of employees globally.		

Role of the Remuneration Committee in wider workforce remuneration

The Committee considers the overarching objectives, principles and parameters of remuneration policy across the Group, ensuring a coherent approach in respect of all employees. In discharging this responsibility the Committee seeks to ensure the policy is fair and transparent, avoids complexity, and assesses – among other things – the impact of pay arrangements in supporting the Group's culture, Values and strategy and on all elements of risk management. The Committee performs the following activities in relation to wider workforce remuneration:

- Ensures alignment of remuneration with the remuneration philosophy, Fair Pay Agenda and Barclays' Purpose, Values, Mindset, conduct expectations and long-term success
- Ensures alignment of wider workforce and Executive Director remuneration policies
- Approves the bonus pool across the wider workforce and reviews wider workforce pay outcomes
- Reviews the annual Group fixed pay budgets.

Remuneration report (continued)

Performance management

Performance management plays a key role both in supporting colleagues to progress their careers and in making Barclays a consistently excellent organisation.

Our performance management approach centres on continuous performance management principles.

This encourages people leaders to discuss performance throughout the year, including reviewing progress made against 'what' has been achieved (performance versus individual objectives) and 'how' it has been achieved (behaviours in line with our Values and Mindset, in addition to our leadership behaviours for senior leaders). At year-end, colleagues are assessed separately on the 'what' and the 'how' of their performance.

This assessment is reflected in colleague performance ratings and bonus outcomes.

For 2023, our aspiration to be a consistently excellent organisation was reflected in performance management for senior colleagues – and will be embedded more deeply and widely during 2024.

For more details see our Fair Pay Report 2023 at:
home.barclays/annualreport

Engaging with stakeholders on remuneration

We seek to consider the views of all of our stakeholders in remuneration decision-making, including colleagues, investors and regulators.

Colleagues

We engage with colleagues to understand their views through our Your View surveys, union and works council engagements, and townhalls. We also engage with colleagues through our Employee Resource Groups, webcasts, workshops and events.

Our ongoing engagement with the union Unite in the UK covers a range of topics, such as fair pay and the increasing cost of living, and this is another opportunity for the views of colleagues to inform decision-making. For information on our 2024 pay deal with Unite see 'Salary budget for 2024', below.

We publish information to explain to colleagues how the Group's performance and pay approach aligns to the Fair Pay Agenda, and to help them understand the employee benefits Barclays provides – so they can make the most of what is on offer. To communicate pay in a clear way, each colleague receives a Compensation Profile detailing their fixed pay and incentives for the previous year and their fixed pay for the following year.

Investors

We recognise that remuneration is an area of particular interest to some shareholders. We listen to their views and take these into account when setting remuneration or considering changes to remuneration policies. Accordingly, the Group Chair or Remuneration Committee Chair hold meetings each year with major shareholders and representative groups to understand their views, accompanied by senior Barclays employees. In 2023, we discussed our remuneration policies and our 2022 pay outcomes with representatives of some of our institutional shareholders and proxy voting agencies.

This kind of engagement helps inform the Committee's work and contributes directly to the decisions it makes in relation to Executive Directors' remuneration. For example, shareholder views were a key consideration in the Committee's decision to increase the weighting of the Climate & sustainability category from 10% to 15% for the 2024-2026 LTIP cycle.

Other stakeholders

Each year, the Barclays Internal Audit or Chief Controls Office teams review our remuneration policies and how we've operated our remuneration processes, to provide assurance to the management team and the Committee that we are compliant with regulatory requirements.

Whenever regulations on remuneration are changed, we review our remuneration policies and practices to ensure they are compliant – and make changes if necessary.

In 2023 we continued to engage with our regulators to ensure we understand their perspectives, and to explain our performance, pay priorities and decision-making. We took their views into consideration when making our remuneration decisions for 2023, and continue to ensure we have ongoing regulatory dialogue on remuneration.

Fixed pay decisions for 2024

Living wage employer

We continue to ensure that we at least meet the living wage benchmarks for each location, and are an accredited Living Wage employer in the UK.

Salary budget for 2024

We targeted our salary increase budgets so there are higher increases for the most junior colleagues. In the UK, with the union Unite, we have agreed a salary increase budget of 5.55% for our junior employees and 3.75% for other union-recognised employees. For junior employees in India and the US salary increase budgets are 8% and 3.25% respectively.

The percentage Fixed Pay increases for the Executive Directors are below the average percentage increases for the wider workforce; the Group Chief Executive and Group Finance Director will each receive a 2.5% increase in Fixed Pay.

Exceeding the living wage in key locations

We pay at least the living wage in all locations. Below are our minimum hourly rates from 1 March 2024 for the UK, USA and India, where 90% of employees are based.

£13.19	$22.50	₹150.00
UK	**USA**	**India**
2023: £12.23	2023: $22.50	2023: R143.00

Pay transparency

We have continued to simplify our pay approach for junior colleagues, making it easier for them to understand how their pay is set and managed.

Pay levels and annual salary increases for our most junior roles in Barclays UK and support functions in the UK are based on role type, and starting salaries are published.

Annual bonus approaches for those populations have also been harmonised. Previously, bonus outcomes were fully discretionary for many of these roles. From 2023, annual bonus outcomes are a set percentage of salary, differentiated by each employee's performance rating.