



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

The secret instrument is a violin



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

£6.6bn¹
Profit before tax
(PBT)

32.4p¹
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.

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15 2023 divisional review



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Chairman's introduction

Working together for a better financial future



"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

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.

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

32.4p¹Earnings per share
2022: 30.8p

8.0p

Dividend
2022: 7.25p

The secret animal #4 is a

£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. It has been a very material endeavour to bring you more detail about our renewed focus in his letter.



With 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

Chief Executive's review

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



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

C. S. Venkatakrishnan
Group Chief Executive

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.

Introduction

During this year, as in the previous one, we have seen increasing political and economic tensions around the world. Resurgent 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 Financing¹, while in Investment Banking we continue to maintain a 6th position globally². 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 tax¹
2022: £7.0bn

10.6%

Return on tangible equity¹
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 corporates², 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 business³. 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 buybacks¹.

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

2024 will be a crucial year for Barclays. To 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**



Note:

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



Read more about our
priorities on Page 13

Our business model

Working together for a better financial future

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

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.

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.

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:

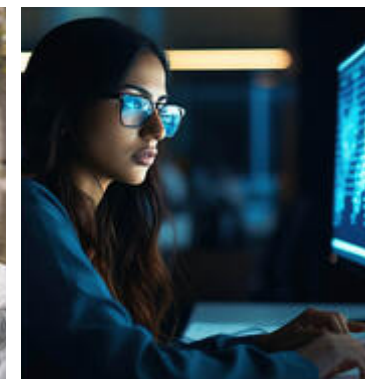
- Energy transition
- More extreme climate cycles

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.

[+ Read more about our updated strategy at: home.barclays/strategy](https://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 £10bn¹

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. £6.1bn²

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 relationship and a >10% growth in clients vs 2021
- Strong

Aims

- Share in lending
- Systems
- 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 Bank¹
- 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

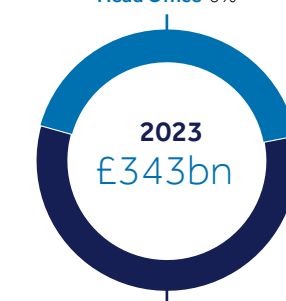
- 20+ years of expertise in US cards with deep partnership card experience
- #9 US card issuer² | #6 in US partner market²
- 20 client partners | c.20m customers
- Prime book with average FICO >750
- Synergies with Barclays Investment Bank

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

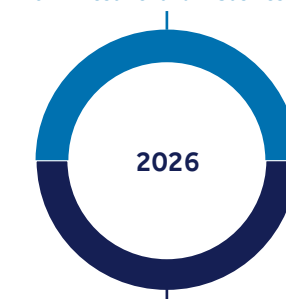
Barclays UK 21%
Barclays UK Corporate Bank 6%
Barclays Private Bank & Wealth Management 2%
Barclays US Consumer Bank 7%
Head Office 6%



Barclays Investment Bank 58%

Targeting a more balanced allocation in 2026

Non-Investment Bank businesses



Barclays Investment Bank c.50%

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 UK

£2.9bn PBT £73.5bn RWAs 19.2% 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 PBT £259.1bn RWAs 8.2% 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 lender¹ 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 Propel², 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.



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.

The secret object #2 is a



Focus areas

- Leveraging the Power of One Barclays¹ 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.

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.

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.

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 wallet¹.

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 2023², and in the UK we topped the investment banking league table - in fees earned - for the first time in six years³. Additionally, we continue to excel in areas of traditional strength, such as Debt Capital Markets where we rank fifth globally², 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 clients¹.

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 2023².

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 Research³ in Institutional Investor Research 2023 rankings - and Top 5 in European Equity Research³ 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 with **The secret landmark is** benefit from a strong net interest margin. 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](https://www.institutionalinvestor.com/section/research)

"Our clients have bold visions for the future. Through a deep understanding of 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 sector¹. 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. Power¹ 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 Hub¹, 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 bank².

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 Analyster 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 customers¹.

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 find 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.

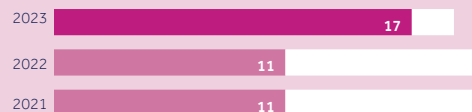


Customers and clients (continued)

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

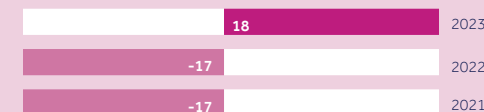
NPS for Barclays UK has improved through 2023 to +17. Personal Customers with Blue or Premier accounts feel more positive about their experience, although a decline in Business Banking NPS means rebuilding and deepening relationships with clients is high on our forward agenda. Barclaycard NPS has also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

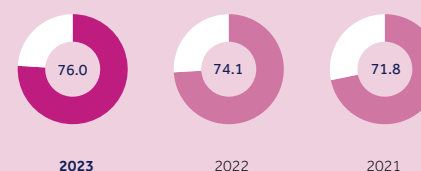
The FCA publishes complaints information every six months – a good measure of how well UK institutions are driving customer outcomes. We measure our volume of complaints, tracking against goals and reviewing root causes to inform changes to our products and services.

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

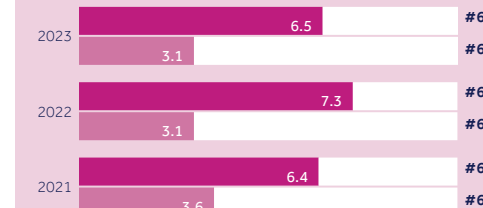
Overall, our customer digital engagement improved year-on-year by 190bps, excluding Gap Inc. customers who display lower digital activity. The improvement reflects the introduction of new and enhanced digital engagement features and technology advancements.

Note:

* Excluding Gap Inc. customers.

Corporate and Investment Bank
revenue ranks and market shares

(% , #)



■ Global Markets revenue ranking and share

■ Dealogic Investment Banking global fee ranking and share demonstrating our performance vs peers.

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 group¹ 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 Unite¹, 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 policies² 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



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 basis³ 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

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.com/community
About the Bank's skills and employability programmes at home.barclays.com/lifefskills

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.com/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 include¹:

- 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.com/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



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 Foundation¹ and connected Barclays LifeSkills to the UK Set for Success programme and the Barclays Net Work programme in the US.

Using sport, and through our partnerships 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 programmes³.

Through our Unreasonable Impact programme, we support high-growth entrepreneurs around the world with the network, resources and mentorship to address their business challenges.

In 2023, Barclays supported an investment programme by the end of our lives have been supported 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/



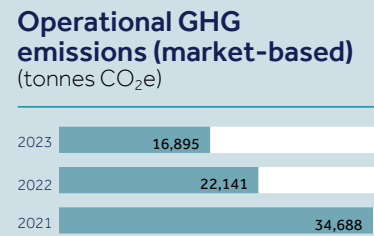
Wimbledon

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 US¹.

Society (continued)

Society - our KPIs



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



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.



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.



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 ₂ e (absolute emissions)	-44 %
Power	241Δ KgCO ₂ e/MWh (physical intensity)	-26 %
Cement	0.573Δ tCO ₂ e/t (physical intensity)	-8 %
Metals (Steel)	1.635Δ tCO ₂ e/t (physical intensity)	-16 %
Automotive manufacturing	175.2Δ gCO ₂ e/km (physical intensity)	0 %
UK Housing	32.1Δ kgCO ₂ e/m ² (physical intensity)	N/A
UK Commercial real estate	30.0Δ kgCO ₂ e/m ² (physical intensity)	N/A
Agriculture	2.4Δ MtCO ₂ e (absolute emissions)	N/A
Aviation	882Δ gCO ₂ e/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.

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 year¹.

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%

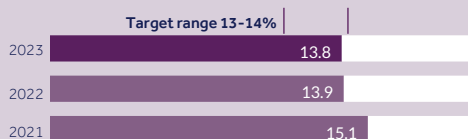
Consolidated summary balance sheet

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) ratio¹
(%)**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.

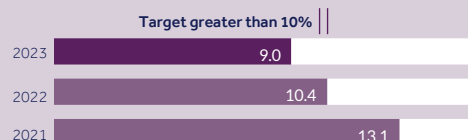
The ratio expresses the Group's CET1 capital as a percentage of its RWAs. RWAs are a measure of the Group's assets adjusted for their respective associated risks.

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**

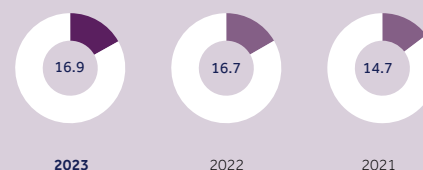
RoTE measures our ability to generate returns for shareholders. It is calculated as profit after tax attributable to ordinary shareholders as a proportion of average shareholders' equity excluding non-controlling interests and other equity instruments adjusted for the deduction of intangible assets and 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 ratio¹
(%)**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 matters set out in Section 172(1) of the Companies Act 2006

The secret drink is a



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.

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.

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)

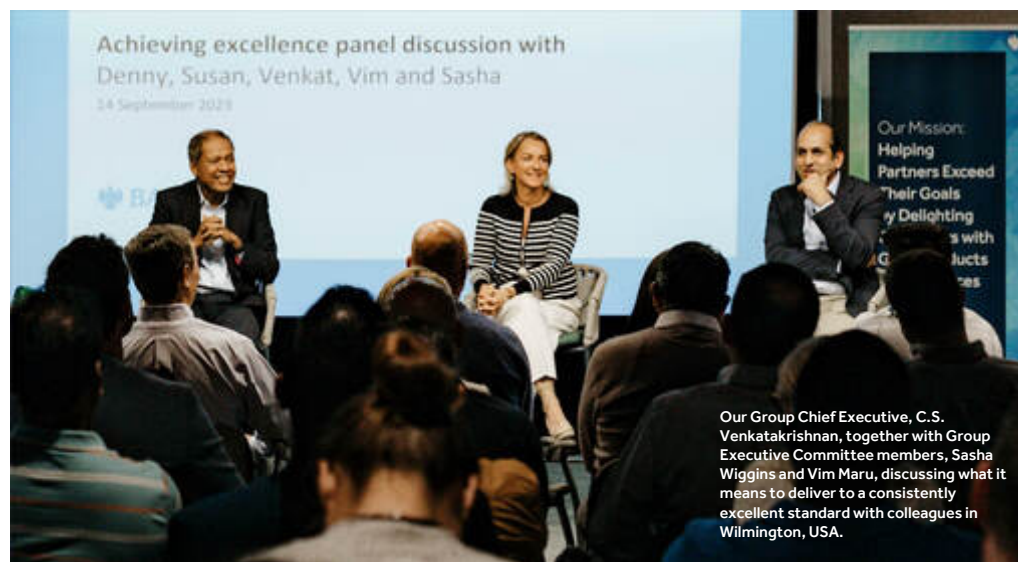
A key area to achieving success in this area is the related work to identify lessons learned from these remediation programmes, and to embed those learnings into standard business practices.

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

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: home.barclays/sustainability/esg-resource-hub/

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, relevant documents are reviewed regularly.

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 and guidance.

We have included summary 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:



The secret animal #5 is a

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	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(d)	A description of 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	 The secret animal #2 is a penguin	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	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
			b) We describe the organisation's processes for managing climate-related risks		
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 Scope 1,2 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

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.

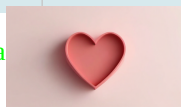


Further details on the TCFD Recommendations and Recommended Disclosures are available at: fsb-tcfd.org

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

The secret shape is a



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

Sustainalytics ESG Risk Rating

23.8

2022: 23.8
2021: 25.1

Scale (best to worst):

0-100

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

CDP Climate Change

B

2022: A-
2021: B

Scale (best to worst):

A to D-

Barclays' rating declined

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

ISS QualityScore Environment

1

2022: 1
2021: 1

Scale (best to worst):

1 to 10

Barclays' rating was stable

ISS QualityScore Social

1

2022: 1
2021: 1

Scale (best to worst):

1 to 10

Barclays' rating was stable

ISS QualityScore Governance

4

2022: 9
2021: 7

Scale (best to worst):

1 to 10

Barclays' rating improved

ISS ESG Corporate Score

C

2022: C-
2021: C-

Scale (best to worst):

A+ to D

Barclays' rating improved

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

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.

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.

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 .

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	ESG-related reporting	ESG data resources	Other ESG resources	Statements and policy positions	Indices
- Taskforce for Climate-related Financial Disclosures (TCFD) Recommendations - ESG-related disclosures	- 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 Centre	- ESG Investor Presentations - Limited Independent Assurance statement - Barclays' Sustainable Finance Framework - Barclays' Transition Finance Framework - BlueTrack™ Whitepaper - Corporate Transition Forecast Model	ESG Resource Hub - Statements and policy positions	- Global Reporting Index (GRI) - Sustainability Accounting Standards Board (SASB)

Managing risk

Prudently managing risk for stakeholders

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.

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

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.

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 value of the Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.	Market Risk teams use a range of complementary approaches to identify and evaluate traded market risk exposures. 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 core values. The secret object #1 is a	Reputation risk is managed by embedding our Purpose and Values, and maintaining a controlled culture within the Group. The objective of acting with integrity, enabling strong and trusted relationships to be built with customers, 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

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)

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

- 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

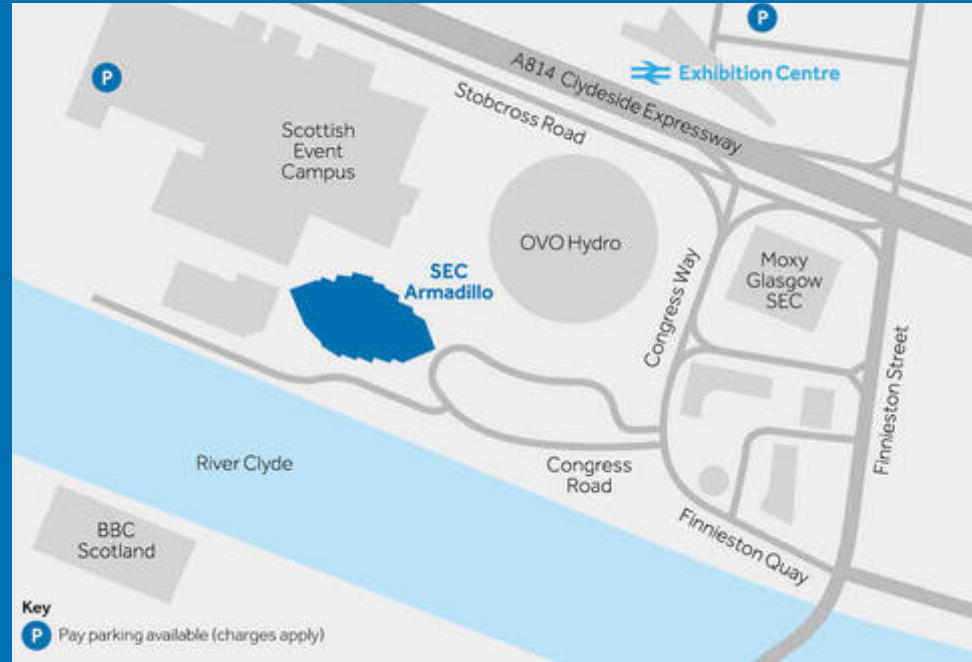
Date

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).



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 purchase additional ordinary shares, rather than receive a cash 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

Key dates

1 March
2024

Full year dividend record date

3 April
2024

Full year dividend payment date

25 April
2024

Q1 2024 Results Announcement

9 May
2024

Annual General Meeting at
11.00am

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

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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



number of these
group's control. As a
financial position,
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.

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Opportunities	70

TCFD Strategy Recommendation B

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

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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.

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Barclays' climate strategy

The secret clothing is a



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 2030¹.

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 scaled². 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_AGGlobalPathwaytoKeepthe1.5CGoalInReach-2023Update.pdf](https://www.iea.blob.core.windows.net/assets/9a698da4-4002-4e53-8ef3-631d8971bf84/NetZeroRoadmap_AGGlobalPathwaytoKeepthe1.5CGoalInReach-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 CO₂e emissions against a 2020 baseline of 75.4^Δ MtCO₂e (Scopes 1, 2 & 3)	-44%	N/A
	Power ¹	50-69% reduction in CO₂e emissions intensity against a 2020 baseline of 326^Δ kgCO₂e/MWh (Scope 1)	-26%	N/A
	Cement ¹	20-26% reduction in CO₂e emission intensity against a 2021 baseline of 0.626^Δ tCO₂e/t (Scopes 1 & 2)	-8%	N/A
	Steel ¹	20-40% reduction in CO₂e emissions intensity against a 2021 baseline of 1.945^Δ tCO₂e/t (Scopes 1 & 2)	-16%	N/A
	Automotive manufacturing ¹	40-64 % reduction in CO₂e emissions intensity against a 2022 baseline of 174.8^Δ gCO₂e/km (Scopes 1, 2 & 3)	0%	N/A
	UK Housing ¹	Convergence point: 40% reduction in CO₂e emissions intensity against a 2022 baseline of 32.0^Δ kgCO₂e/m² (Scopes 1 & 2) for formerly UK Residential Real Estate	+1%	Convergence point: 40% reduction in CO₂e emissions intensity against a 2023 baseline of 32.1^Δ kgCO₂e/m² (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 CO₂e emissions intensity against a 2023 baseline of 30.0^Δ kgCO₂e/m² (Scopes 1 & 2)
	UK Agriculture - Livestock & Dairy	N/A	N/A	21% reduction in absolute CO₂e emissions against a 2023 baseline of 2.4^Δ MtCO₂e (Scopes 1, 2 & 3)
	Aviation	N/A	N/A	11-16 % reduction in CO₂e emissions intensity against a 2023 baseline of 882^Δ gCO₂e/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	
2 Reducing our financed emissions Restrictive policies²			Project level restrictions	Entity level restrictions
	Upstream Oil & Gas	N/A	From 9 February 2024: - We will not provide <i>project finance</i> for <i>expansion</i> projects or for infrastructure projects primarily to be used for such <i>expansion</i> projects. - We will not provide other <i>direct financing</i> to <i>Energy Groups</i> for <i>expansion</i> projects or infrastructure projects primarily to be used for such <i>expansion</i> projects.	From 9 February 2024: - We will not provide <i>financing</i> to <i>new clients</i> that are <i>Energy Groups</i> where more than 10% of their total planned oil & gas capital expenditure is in <i>expansion</i>. By 1 January 2025: - We expect all <i>Energy Groups</i> to be producing relevant information in relation to their transition plans or decarbonisation strategies. From 1 January 2025: - Any new <i>financing</i> or renewal of existing <i>financing</i> for <i>Non-diversified Groups</i> where more than 10% of their total planned oil & gas capital expenditure is in <i>long-lead expansion</i> would be by exception. From 1 January 2026: - We will only provide <i>financing</i> to <i>Energy Groups</i> if they are able to demonstrate that they are committed to reducing their own emissions by having: - net zero-aligned <i>near-term</i> 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 <i>Arctic Circle</i> oil & gas, <i>Hydraulic Fracturing</i> and <i>Oil Sands</i>) remain in place.	From 9 February 2024: We will not provide <i>direct financing</i> to <i>Energy Groups</i> for any oil & gas projects in the <i>Amazon Biome</i>, or any oil & gas projects involving <i>Ultra-Deep Water</i> and/or <i>Extra Heavy Oil</i>, or infrastructure projects primarily to be used for such oil & gas projects.	From 30 June 2024: - We will not provide <i>financing</i> to <i>Energy Groups</i> whose aggregate share of production in <i>Oil Sands</i>, <i>Extra Heavy Oil</i>, <i>Hydraulic Fracturing</i> in the UK/EU, and <i>Arctic Circle</i> oil & gas exceeds 20% of their total oil & gas production. - We will not provide <i>financing</i> to <i>Clients engaged in</i> exploration, appraisal, development, and production of oil & gas in the <i>Amazon Biome</i>.
	Thermal Coal Mining	Existing project and entity level restrictions on <i>thermal coal</i> mining remain in place.	From 9 February 2024: - No <i>project finance</i> for greenfield development or <i>material expansion</i> of <i>thermal coal</i> mines anywhere in the world, including <i>captives</i>. (Note: this was an update to an existing restriction to include <i>captives</i>) - No <i>project finance</i> for development of infrastructure projects primarily to be used for <i>thermal coal</i> mines anywhere in the world.	
	Thermal Coal Power	Existing project and entity level restrictions on <i>thermal coal</i>-fired power remain in place.	From 9 February 2024: No <i>project finance</i> to enable construction or <i>material expansion</i> of <i>thermal coal</i>-fired power plants anywhere in the world, including <i>captives</i>. (Note: this was an update to an existing restriction to include <i>captives</i>)	

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^Δ £25.9bn^Δ (Cumulative performance: £113.7bn^Δ)
	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)

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/

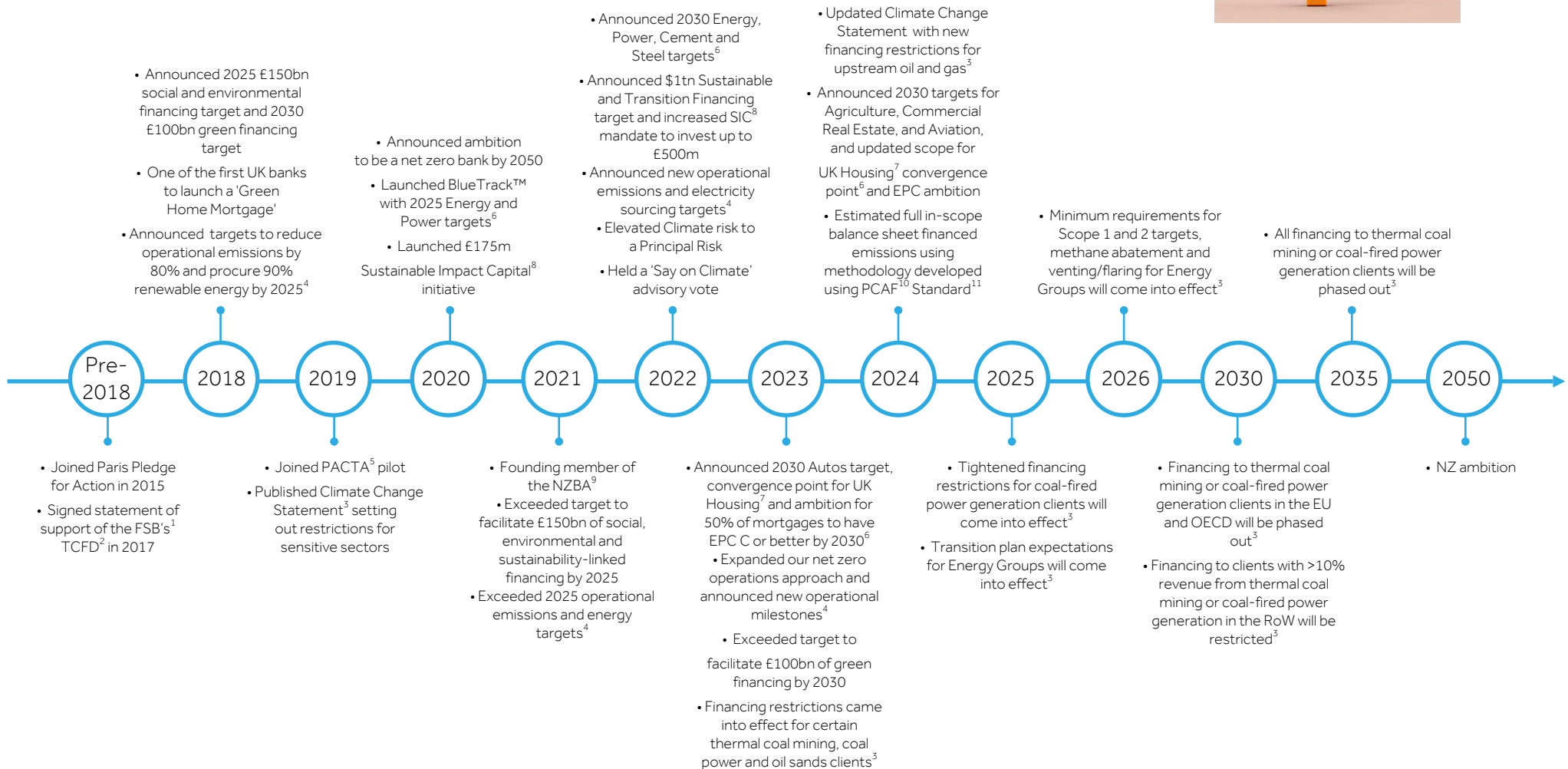
Barclays' climate strategy (continued)

Climate Action Roadmap

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

The secret currency is a

our financed



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.

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TCFD Strategy Recommendation B:

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

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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.

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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.

Transition risks	
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	
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

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 risks¹. 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-making capabilities. Through this work, we have developed an updated heatmap by mapping industry classification codes and the associated qualitative nature-related impact and dependency ratings from ENCORE² and SBTN³ 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 Institutions⁴. 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 data source, and specific nature related risks within the same sector 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 Finance target

The secret food is...

Following analysis of the market opportunity for sustainable finance – including the scale 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 the 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 year¹. 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/da663719a03902a9b116c34/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.

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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
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Operational footprint dashboard	75
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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.

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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 emissions¹ 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 suppliers² and colleagues, to track, manage and reduce their GHG emissions – while embedding net zero principles across our policies and contractual requirements.

The secret sport is

progress to date

In 2023 we achieved our milestone³ 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 electricity⁴ for our global real estate portfolio⁵ and continued to meet our 90% Scope 1 and 2 market-based emissions reduction target⁶ – reducing these emissions by 93%^Δ.

Key contributors to our progress include global real estate portfolio right-sizing⁷ 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/m ² /year average energy use intensity across our corporate offices	260 kWh/m ² /year ¹	228 kWh/m ² /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:

- 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).
- In this Achieving net zero operations section, a reference to a "milestone" denotes an indicator we are working towards and report against.
- We have updated internal data which has resulted in minor updates to FY2022 on-site renewable electricity capacity (from 0.26MW to 0.30MW).
- 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.
- 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.
- 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.
- Campuses include 1 Churchill Place, Radbroke, Northampton, Glasgow, Pune, Whippary, 745 7th Avenue, Dryrock.
- Reported waste diversion performance for FY2022 has been recalculated from 65% to 49%, to account for an update in external data.
- 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.

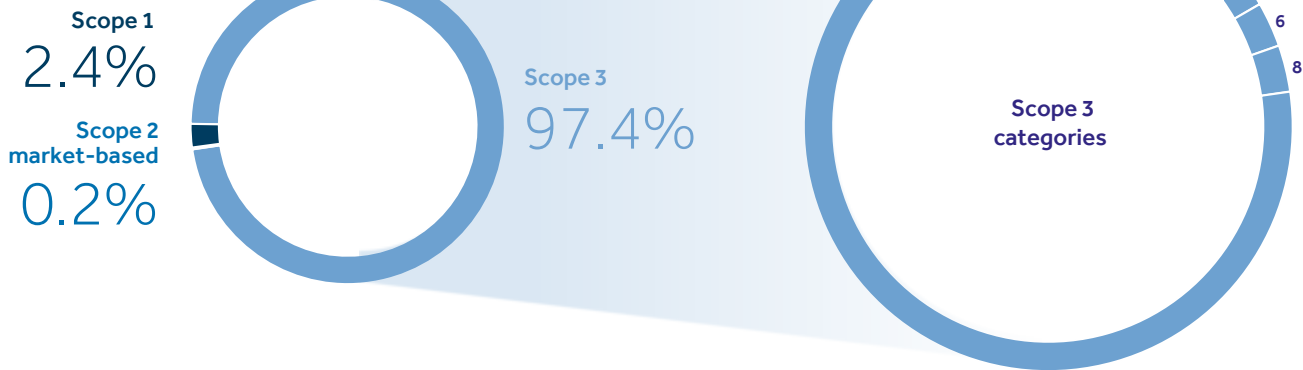
Please see ESG Data Centre for all recalculations and ESG Reporting Framework for our operational emissions accounting approach.

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

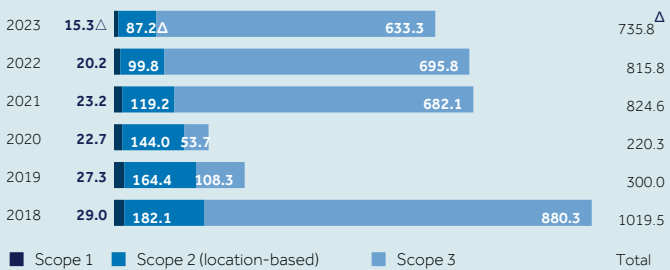
2023 Operational GHG emissions by Scope (market-based)



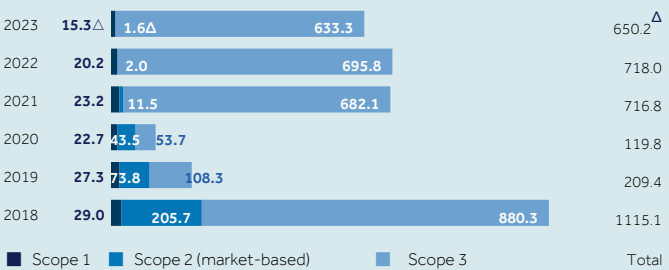
Scope 3 categories

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%

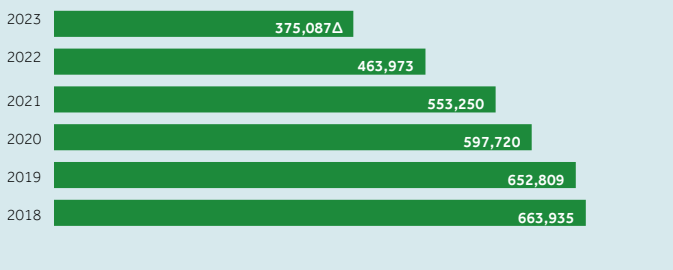
Total GHG emissions by Scope (location-based) '000 tonnes CO₂e



Total GHG emissions by Scope (market-based) '000 tonnes CO₂e



Total energy use (MWh)



Notes

- 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.
- 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.
- 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.
- 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.
- 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.
- 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 tCO₂e; the recalculated figure is 99,782 tCO₂e. In 2022 we reported Scope 2 market-based emissions of 1,883 tCO₂e; the recalculated figure is 1,963 tCO₂e. In 2022 we reported energy use of 467,939 MWh; the recalculated figure is 463,973 MWh.
- We have recalculated FY 2022 Scope 3 Category 5 GHG emissions from 10,700 tCO₂e to 352 tCO₂e 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-sized¹ 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 2023³ 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 baseload⁴ 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 tariffs⁵ (55%) and energy attribute certificates⁶ (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).

The secret tool is a



Lastly, to support our engagement with our suppliers, in 2023 we conducted an intelligence gathering exercise across our top 2,000 suppliers (based on spend¹) 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.

Understand that our success depends on 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 milestone² 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 campuses¹ 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 year². 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 Estate¹ 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 Standard². 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 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.

The secret animal #3 is a



2024) provides more detail on how we have found within the ESG Resource Hub. <https://www.barclays.com/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 CO₂e 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.80MtCO₂e 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)

Activities	Scope 1,2 emissions (MtCO ₂ e)			Scope 3 emissions (MtCO ₂ e)		
	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)

Activities	Scope 1,2 emissions (MtCO ₂ e)		
	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)			
Category	Scope 1,2 emissions ¹		
	DQ1-2	DQ3	DQ4-5
	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 material¹ 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 sectors². 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 CO₂e (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 CRRM 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](https://www.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 ₂ e)	Physical intensity
Energy	Upstream Energy	1,2 & 3	Carbon dioxide and methane	IEA SDS	Absolute emissions	MtCO ₂ e (absolute)	2020	-15% by end of 2025	-44%	42.5 ^Δ	59.6 gCO ₂ e/MJ
				IEA NZE2050				-40% by end of 2030			
Power	Power generators	1	Carbon dioxide	IEA SDS	Physical intensity	kgCO ₂ e/MWh	2020	-30% by end of 2025	-26%	16.9	241 ^Δ
				IEA NZE2050				-50% to -69% by end of 2030			
Cement	Cement manufacturers	1 & 2	All GHGs	IEA NZE2050	Physical intensity	tCO ₂ e/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 ₂ e/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 ₂ e/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 ₂ e/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 ₂ e/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 ₂ e	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 ₂ e/m ²	2023	Portfolio convergence point vs. baseline		1.7	32.1 ^Δ
								-40% by end of 2030			

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)

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Baselines at December 2023							
Sector	Unit	Baseline year	Baseline metric (last reported)	Previously reported metrics		Recalculated metrics	
				Financed emissions for December 2022	Change at December 2022 (percentage change)	Recalculated financed emissions for December 2022	Theoretical baseline metric (re-baselined)
Energy	MtCO ₂ e (absolute)	2020	75.7	51.7	-32%	51.6	75.4 ^Δ
Power	kgCO ₂ e/MWh		331	302	-9%	298	326 ^Δ
Cement	tCO ₂ e/t	2021	0.625	0.610	-2%	0.611	0.626 ^Δ
Steel	tCO ₂ e/t		1.945 ^Δ	No major impact of methodology changes			
Automotive manufacturing	gCO ₂ e/km	2022	167.2	167.2	N/A	174.8	174.8 ^Δ
Aviation	gCO ₂ e/RTK	2023	882 ^Δ				
UK Commercial Real Estate	kgCO ₂ e/m ²		30.0 ^Δ				
Agriculture	MtCO ₂ e (absolute)		2.4 ^Δ				
UK Housing ¹	kgCO ₂ e/m ²		32.1 ^Δ	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^Δ from 32.9, as reported in FY2022.

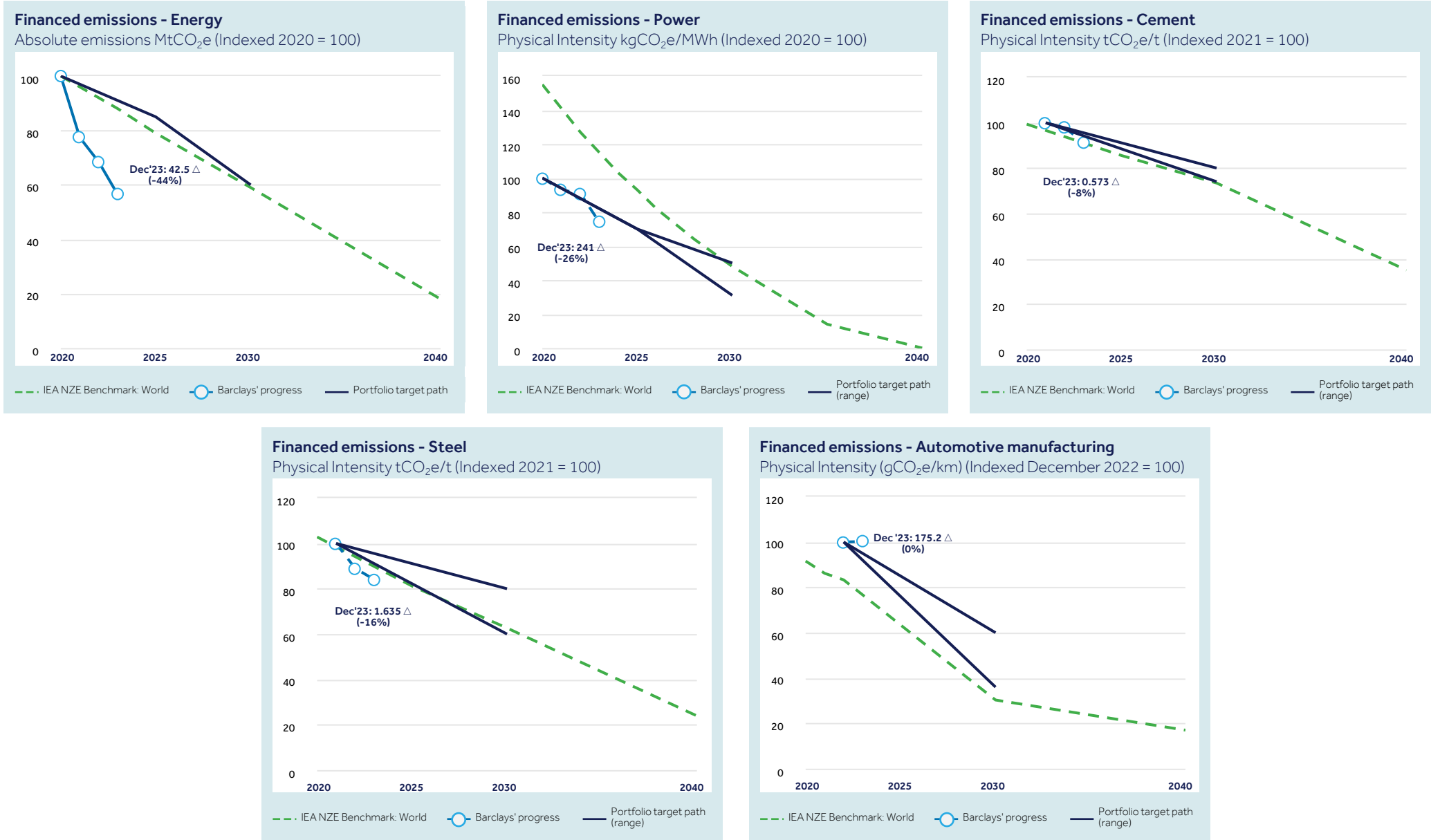
Δ 2023 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/



Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation (b) | Strategic Pillar 2

Progress against our existing sector targets



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/

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 Agreement¹.

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](https://www.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 Barclay

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).

which clients would be deemed in-scope for our CTF assessments. We have set a minimum revenue share threshold to which clients are required to be assessed, though clients below this threshold may still be assessed.

CTF overview

Ambition		Credibility	
Assesses clients' past, present and future emissions as a proxy for their emissions reduction ambition		Assesses the critical and supporting qualitative elements of clients' transition plans as a proxy for the credibility of their plans	
Past emissions	Evidence of progress in emissions over the last three years	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
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	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	Unscored criteria
Additional sector-specific factors that impact the strength of a transition plan	Factoring additional data points that might be beneficial for benchmarking purposes and/or for future reference
Energy • Methane commitments	Just transition pilot
Power • Coal phase-out plan	
Cement • Target set on gross basis	

Ambition score		Credibility score				
A1- A5		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.

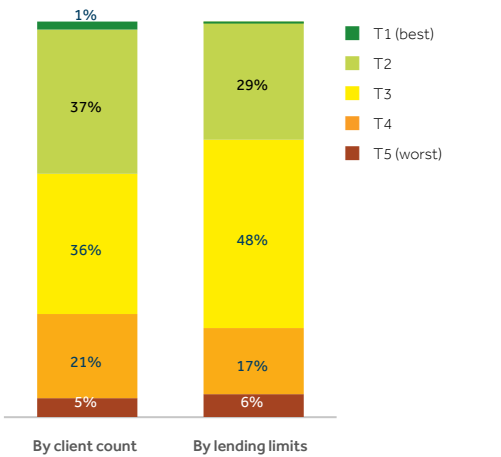
We have also begun to use the results from the CTF assessments to drive engagements with clients, facilitating discussions about their transition plans and providing insights such as highlighting how they benchmark against their peers.

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 generation¹. Emissions from fossil fuel extraction, including from flaring and venting, is also significant – and responsible for 40% of global methane emissions².

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.

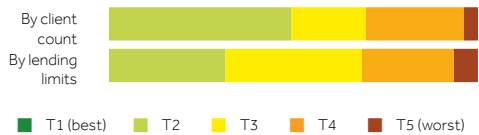
By 2026, we will only provide financing to Energy clients with Scope 1 and 2 emissions reduction targets, methane emissions targets, and commitments to end all routine and non-essential venting and flaring.

+ 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

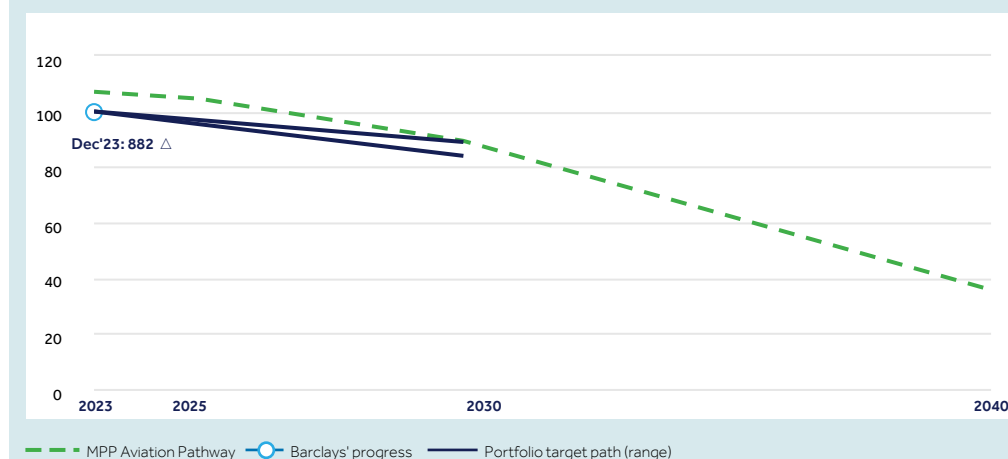
Currently there are no alternative power technologies – such as electric or hydrogen – for commercial aircraft that are expected to be at scale for the foreseeable future. Therefore, decarbonising the Aviation sector over the next 10-15 years will require a significant increase in the historical pace 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 (gCO₂e/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, gCO₂e/revenue-tonne-kilometre (gCO₂e/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 (MtCO₂e) of our UK Dairy and Livestock portfolio by 21% by end of 2030, against a 2023 baseline – in line with the Balanced

The secret fruit is a
To help advance approaches to managing financed emissions measurement 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.

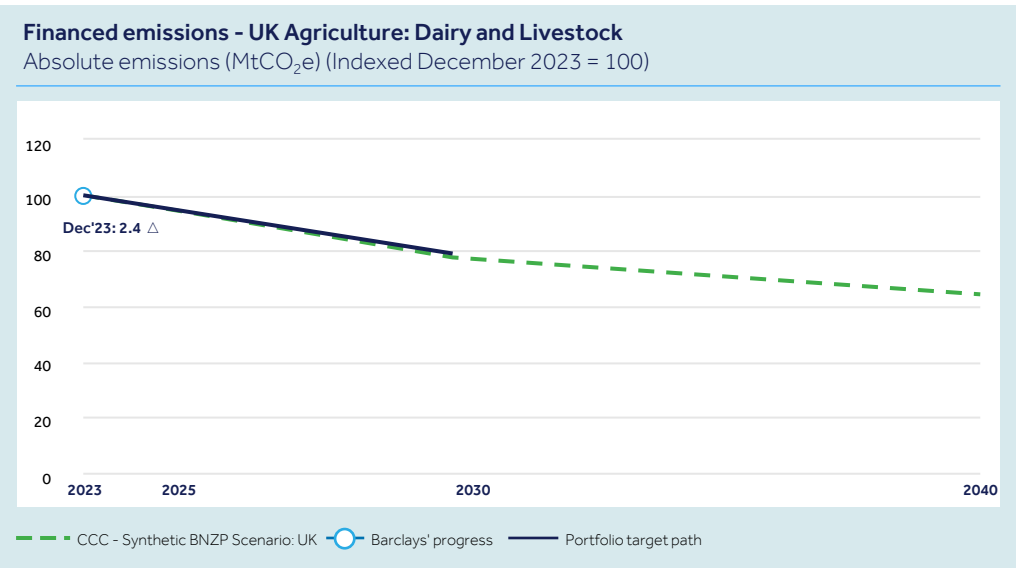
+ Further details on our partnership with Oxford University can be found at: home.barclays/news/pressreleases/2022/10/barclays-and-oxford-universityannounce-3-year-agri-climate-part/

+ 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.



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

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



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 (kgCO₂e/m²) by 51% by end of 2030 against a 2023 baseline, calculated using our BlueTrack™ methodology and integrating the approach recommended by PCAF.

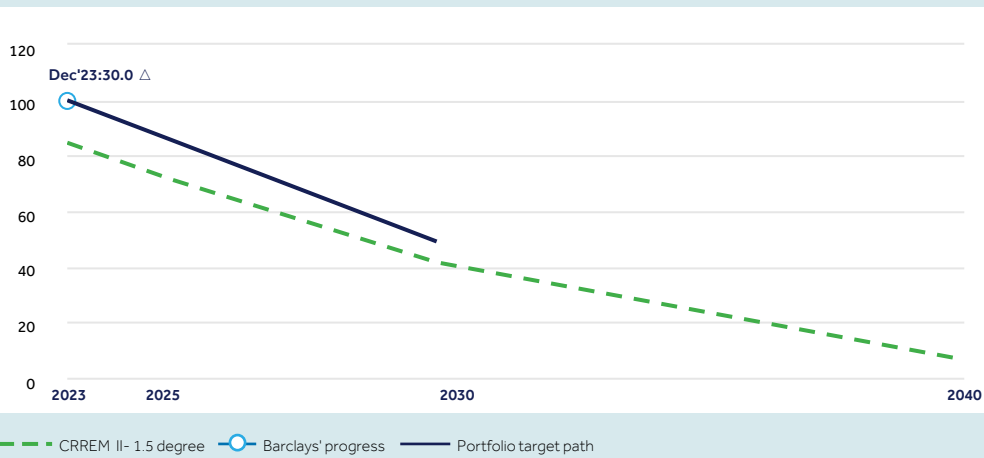
The emission reductions required aligns with CRREM 2022 – the leading global standard and initiative for operational decarbonisation of real estate assets – which provides the granularity of pathways for sub-sectors within the in-scope portfolio. We may expect our CRREM pathway to change if the portfolio 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 (kgCO₂e/m²) (Indexed December 2023 = 100)



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/](#)

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](#)

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.

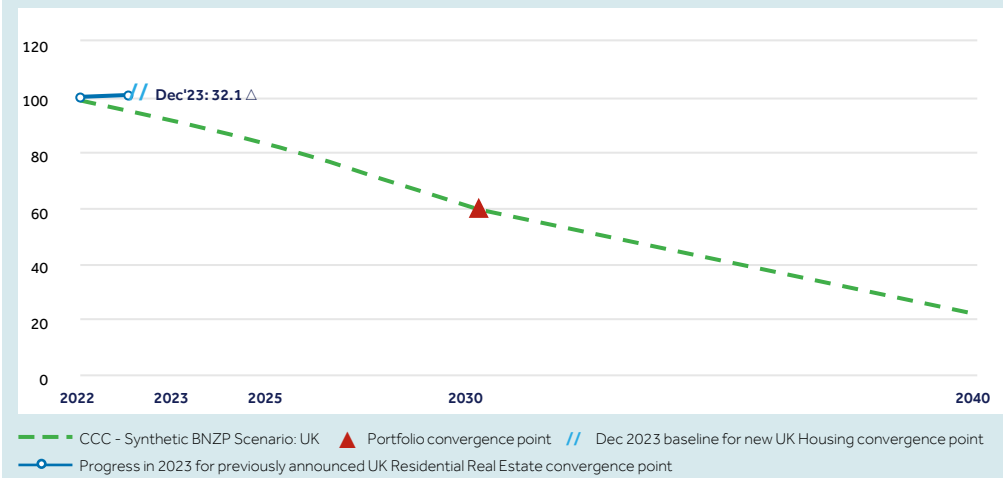
In an effort to confront and quantify these challenges we are expanding the scope of our previously announced UK Residential Real Estate convergence point. The expanded scope, renamed to UK Housing sector, now includes Social Housing and Business Banking Real Estate portfolios, alongside the previous 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 (kgCO₂e/m²) (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 CO₂e 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.

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.](#)

[+ Further details on our financed emissions methodology can be found in our latest Financed Emissions Methodology paper at: \[home.barclays/esg-resource-hub/reporting-and-disclosures/\]\(https://home.barclays/esg-resource-hub/reporting-and-disclosures/\)](#)

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

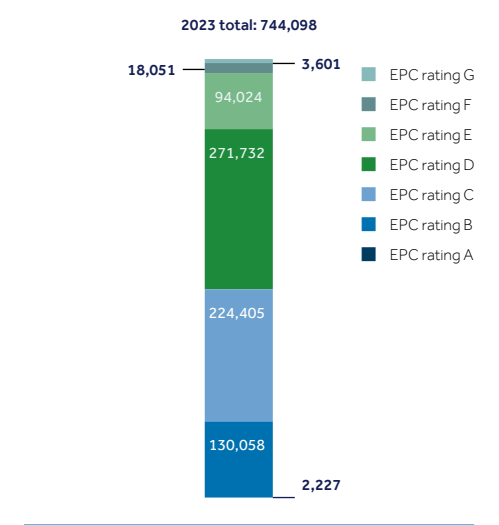
Barclays is expanding its EPC ambition scope¹ to include Social Housing, Business Banking Real Estate and Kensington Mortgage Company Limited², alongside the previous scope of the Barclays UK mortgages portfolio.

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 ambition⁴



47.9%

of properties and collateral rated A-C of available EPCs

Notes

- EPC ambition scope does not currently include Private Bank due to EPC data reporting limitations.
- Kensington Mortgage Company Limited is not currently included in UK Housing sector emissions intensity convergence point due to portfolio reporting limitations.
- Metric based on number of properties and collateral in portfolios that make up the EPC ambition scope as of 31 December 2023.
- 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 material¹ high-emitting sectors in our portfolio.

Using BlueTrack™, we have assessed our financed emissions and have targets for eight high-emitting sectors. *The secret vegetable is* Energy, Power, Cement, Steel, Automotive manufacturing, Agriculture, Aviation, and CR. 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 sector². 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 most relevant areas of the our financing activities.

We intend to set financed emissions targets as part of our commitment 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:

- 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](https://www.unepfi.org/wordpress/wp-content/uploads/2022/05/Foundations-for-climate-mitigation-target-setting.pdf)).
- 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.