

Barclays

Type of Engagement: Allocation Review

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Introduction

In November 2020, Barclays PLC issued a Green Bond (the “2020 Green Bond”) under the 2019 Barclays Green Bond Framework,² aimed at financing or refinancing a portfolio of green mortgages for energy-efficient residential buildings. Throughout 2021 and 2024, Barclays Bank PLC also issued Green Structured Notes (collectively referred to as the “Green Instruments”), under either the 2021 Barclays Green and Social Notes Framework, or the updated 2023 Barclays Green and Social Notes Framework³ (the “Frameworks”) aimed at financing or refinancing energy efficiency, renewable energy, and sustainable transportation projects. Furthermore, “Barclays Green Issuances” refers to the 2020 Green Bond and the Green Instruments. Barclays PLC and Barclays Bank PLC are collectively referred to as “Barclays” or the “Bank”.

In September 2025, Barclays engaged Sustainalytics to review select projects under Barclays’ portfolio, which were funded with proceeds from the Barclays Green Issuances and provide an assessment as to whether these projects have met the use of proceeds criteria outlined in the respective 2019 Barclays Green Bond Framework and 2023 Barclays Green and social Notes Framework (the “Frameworks”). Barclays will publish this report on its website. Sustainalytics has calculated the estimated impact achieved by the 2020 Green Bond and the Green Instruments in a separate report. This is Sustainalytics’ second annual review of the allocation of proceeds under the Frameworks, following a previous review in July 2024.

Evaluation Criteria

Sustainalytics evaluated the select projects under their portfolio, which were funded with proceeds from the Barclays Green Issuances, whether they met the use of proceeds and eligibility criteria of the respective Frameworks.

Table 1: 2019 Green Bond Framework - Residential Mortgage Eligibility Criteria⁴

Use of Proceeds Category	Eligibility Criteria
Buildings	<p>Proceeds may be allocated towards financing and/or refinancing energy efficient residential properties in England and Wales (the Residential Mortgages) that originated within the three years prior to the date of the relevant Barclays Green Bond issuance, and that are based on Energy Performance Certificate (EPC) data.</p> <p>A formula is used to estimate the maximum carbon intensity of residential properties that can qualify as Eligible Mortgage Assets. The formula was derived using the following components:</p> <ul style="list-style-type: none"> Properties that meet the top 15% carbon intensity threshold in terms of estimated emissions performance in their local market.

¹ This document was updated on the 10th of December 2025 with changes to Allocated Amounts.

² Barclays, “Barclays Green Bond Framework”, (2019), at: <https://home.barclays/content/dam/home-barclays/documents/investor-relations/fixed-income-investors/20191212-Green-Bond-Framework.pdf>

³ Barclays has confirmed that the projects financed under the Barclays Green Issuance Framework, (2021) at: <https://home.barclays/content/dam/home-barclays/documents/investor-relations/debtinvestors/creditratings/20211021-Barclays-Green-Issuance-Framework-July-2021.pdf> are aligned with the Barclays Green and Social Notes Framework, (2023) at: <https://home.barclays/content/dam/home-barclays/documents/investor-relations/fixed-income-investors/2023/20230918-Barclays-Green-and-Social-Notes-Framework-July-2023.pdf>

⁴ While the 2019 Barclays Green Bond Framework includes several use of proceeds categories, table 1 only includes the use of proceeds categories financed with proceeds from the 2020 Green Bond.

	<ul style="list-style-type: none"> • The UK government’s linear target of ‘close to zero’ emissions by 2050; and • The mid-point between issuance date and maturity of the potential Barclays Green Bond. <p>The formula will be updated when a new EPC dataset is released and will be set out in the terms and conditions of each Barclays Green Bond issuance that finances and/or refinances Eligible Mortgage Assets.</p> <p>Using the July 2019 data release, the top 15% carbon intensity threshold for properties within the dataset is 26 kgCO₂/m²/year. Accordingly, the formula to determine the carbon intensity of a property in the midpoint of a potential Barclays Green Bond is $y = -0.8387x + 1719.4$, where x is the year of the bond midpoint, and y is the resulting target carbon intensity of the property in kgCO₂/m²/year.</p>
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Table 2: 2023 Barclays Green Issuance Framework - Relevant Use of Proceeds & Eligibility Criteria

Use of Proceeds Category	Sub-category	Eligibility Criteria ⁵
Energy efficiency	Commercial and residential buildings	<p>Building level</p> <ul style="list-style-type: none"> • Energy efficient new-build buildings with an Energy Performance Certificate (EPC) rating of A or B, as issued through the Barclays Green Home Mortgage (i.e. qualifying for a pricing discount under the product criteria). • Development, acquisition, retrofit and/or refurbishment of new or existing buildings achieving a rating of LEED Gold or above, BREEAM Excellent or above, or other equivalent internationally recognised green building certification schemes, complying with a recognised threshold set by the CBI, or otherwise evidenced to be performing in the top 15% of buildings in the relevant market. • Retrofit of existing buildings achieving a minimum 30% energy and/or carbon emission reduction or energy efficiency after retrofit is within the top 15% of buildings in the relevant market. <p>System level⁶</p> <ul style="list-style-type: none"> • Energy efficiency measures including the following: tank and pipe insulation; draught proofing; loft insulation; low-energy lights; insulation to existing envelope components with low thermal conductivity such as external walls, roofs, lofts, basements and ground floors (including measures to ensure airtightness and reduce the effects of thermal bridges); cavity wall insulation; internal wall insulation; double glazing; insulated render; external wall insulation; energy efficient external doors. • Heating measures including electric air source heat pumps; electric ground source heat pumps; micro combined heat and power (micro-CHP)⁴ heating controls; replacement of old pumps with efficient electric circulating pumps; installation and replacement of heating, ventilation and air

⁵ Barclays Green Issuances Framework includes several use of proceeds categories, table 2 only includes the use of proceeds categories financed by the Green Instruments.

⁶ Adapted from the Green Finance Institute - Green Home Retrofit Finance Principles (GHRFP).
<https://www.greenfinanceinstitute.co.uk/programmes/ceeb/ghfp>

		<p>conditioning (HVAC) and domestic hot water systems with more efficient systems.</p> <ul style="list-style-type: none"> • Renewable energy generation including solar hot water, solar photovoltaic and rainfall capture. • Resilience measures including BS 851188 standard products to enhance resistance to flooding such as flood doors and windows or demountable barriers; measures to enhance resilience to flooding such as resilient wall and floor finishes; resilient insulation; measures to enhance resistance to heatwaves such as external shutters and external insulation. • Water efficiency measures including indoor water-efficient fixture and fittings and outdoor water-efficient landscaping.
Renewable Energy	Electricity generation	<p>The generation of electricity from:</p> <ul style="list-style-type: none"> • Wind power • Solar power (PV) • Geothermal power with a direct emissions threshold of < 100 grams of CO₂/kWh. • Biomass or biogas power from waste materials or certified sustainable crops⁷ that generates power which achieves substantial lifecycle emissions of at least 65%⁸ lower than the fossil fuel baseline⁹ OR life cycle GHG emission intensity below 100 g CO₂e/kWh. • Ocean power • For hydropower facilities that became operational before the end of 2022: Lifecycle emissions of the project and the emissions from decaying organic matter are 5 W/m²Run-of-river hydropower¹⁰ without artificial reservoir or low storage capacity. • For new hydropower facilities: Lifecycle emissions of the project and the emissions from decaying organic matter are 10W/m². • The construction and operation of a facility used for cogeneration of heat/cooling and power from renewables.¹¹
Sustainable transport	Vehicle energy efficiency	<ul style="list-style-type: none"> • Vehicle, rail or boat fleet retrofit or replacement with zero-emission technologies including electric or non-polluting hydrogen technologies. • Hybrid engines and technologies operating below < 75 gCO₂ /p-km. • Acquisition/manufacture of new vehicles, locomotives and boats which are zero emission.

⁷ Sustainable non-food crops are defined as, among others, crops certified under the Roundtable on Sustainable Biomaterials (RSB) or ISCC Plus; soy certified under Round Table on Responsible Soy (RTRS); sugarcane certified under Bonsucro; wood certified under Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Additional certification schemes may be considered but should be as or more credible and robust as those listed here.

⁸ Pre-2021 installations with 60% lifecycle emission reduction below the baseline and pre-2015 installations with 50% lifecycle emissions reduction below the baseline.

⁹ Fossil fuel baselines for biofuel production facilities: (1) Biofuels (for transportation) - 94 g CO₂e/MJ; (2) Bioliqids (production of electricity) - 183 CO₂e/MJ; and (3) Bioliqids (production of heat) - 80 CO₂e/MJ as per the EU Renewable Energy Directive II. For outermost regions and non-EU countries, the following baseline is applicable for electricity generation: 212 g CO₂e/MJ.

¹⁰ For all new hydropower projects regardless of size, an environmental and social impact assessment by a credible, third-party body is required per project. There should be no significant risk, controversies or expected negative impact identified by the assessment.

¹¹ Where renewables are as defined by this Framework.

	<p>Urban transportation systems and infrastructure</p>	<ul style="list-style-type: none"> • Development and operation of sustainable, low carbon¹² public or mass transportation systems for land and sea. This may include equipment and infrastructure for buses, light rail vehicles and other rapid transit systems. • Development of infrastructure for non-motorised transport (bicycles and pedestrian mobility). • Development and infrastructure for electric vehicles. Examples could include charging stations. • Urban planning and development that leads to a reduction in the use of passenger cars. Examples could include creating walking communities, improving transit connectivity, facilitating multiple land-use or developing car-free city areas. • Management of transport demand that leads to a reduction in use of passenger cars. Examples could include setting high-occupancy vehicle lanes, Information Communication Technologies (ICT) that improve asset utilisation, flow and modal shift (such as through public transport information, car-sharing schemes and telematics), smart logistics and fleet management, smart road pricing systems.
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Issuer’s Responsibility

Barclays is responsible for providing accurate information and documentation relating to the funded projects, which are part of their portfolio, including description of the projects and amounts allocated.

Independence and Quality Control

A leading provider of ESG research and ratings to investors, Sustainalytics conducted the verification of the use of proceeds from Barclays Green Issuances. The work undertaken as part of this engagement included the collection of documentation from Barclays and review of said documentation to assess conformance with the Frameworks.

Sustainalytics relied on the information and the facts presented by Barclays. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Barclays.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,¹³ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects do not meet the use of proceeds criteria outlined in the Frameworks. Barclays has disclosed to Sustainalytics that the proceeds from the Green Issuances were fully allocated as of 31 December 2024.

¹² Low carbon is defined as below 25 grams of CO₂ /tonne-km for freight and below 75 grams of CO₂ /p-km for passenger transport.

¹³ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the Barclays Green issuances to determine if the projects meet the use of proceeds criteria outlined in the Frameworks.	All projects reviewed complied with the use of proceeds criteria.	None

Appendix

Appendix 1: Allocation Reporting¹⁴

Table 4: Allocation of proceeds from the 2020 Green Bonds

Use of Proceeds Category	Sub-category	Allocated Amount (GBP)
Buildings	Residential mortgages	400,435,394
Total amount		400,435,394

Table 5: Allocation of proceeds from the Green Instruments

Use of Proceeds Category	Sub-category	Allocated Amount (GBP)
Energy Efficiency	Commercial and residential buildings	51,310,621
Renewable Energy	Offshore wind	137,332,831
	Transmission systems	12,344,779
Clean Transportation	Vehicle energy efficiency	14,207,441
Total amount		215,195,673

¹⁴ As of 31 December 2024.

Appendix 2: Details on the Green Instruments

Note ISIN	Issuance date	Maturity date	CCY	Notional	Outstanding
XS2315553078	20/12/2021	27/12/2028	USD	1,687,199	1,687,199
XS2316643860	17/02/2022	24/02/2025	USD	413,029	413,029
XS2316664783	17/02/2022	24/02/2025	EUR	2,331,594	2,331,594
XS2320894152	08/12/2021	23/01/2034	EUR	12,450,660	12,450,660
XS2326914509	21/02/2022	21/02/2029	GBP	252,340	252,340
XS2338720167	17/02/2022	18/02/2027	USD	174,799,665	889,846
XS2345447721	07/02/2022	23/01/2034	EUR	24,901,320	24,901,320
XS2345477470	09/02/2022	10/02/2025	EUR	1,660,088	1,660,088
XS2377613836	14/07/2022	14/07/2025	GBP	12,000,000	12,000,000
XS2377613919	14/07/2022	14/07/2025	GBP	5,000,000	5,000,000
XS2409676934	30/11/2022	30/11/2028	EUR	24,297,878	24,297,878
XS2700595460	22/01/2024	22/01/2031	PLN	5,829,600	5,829,600
XS2700595544	22/01/2024	22/01/2028	CZK	6,599,800	6,599,800
XS2700622702	25/01/2024	25/01/2027	CNY	13,292,880	13,292,880
FR00140003B9	11/03/2024	05/05/2031	EUR	52,716,924	52,716,924
HK0001059606	03/10/2024	03/10/2030	USD	23,920,590	23,920,590
XS2674723866	16/10/2024	16/10/2029	HKD	26,951,925	26,951,925
Total					215,195,673

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