



Barclays PLC
Annual Report 2021
Part 1



Contents

Parts 1 and 2 of the Barclays PLC 2021 Annual Report together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

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The Barclays PLC Strategic Report 2021 was approved by the Board of Directors on 22 February 2022 and signed on its behalf by the Chairman.

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

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Report of the auditor

The Auditor's report on the Financial statements of Barclays PLC for the year ended 31 December 2021 was unmodified, and its statement under Section 496 of the Companies Act 2006 was also unmodified (see page 314 of Part 2 of the Annual Report 2021).

Our experience, insight
and adaptability help
unlock opportunities.



See our back cover for an example
of how we are growing, together.



Our value proposition.

Strong economies need strong banks. This is true not only because finance is the lifeblood of economic prosperity, but also because the way banks facilitate that finance can have positive effects for society too.


Growing. Together.

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

We are able to do so because of our diversification. As a British universal bank, we have diversity in the types of customers and clients we serve – from individuals and small businesses to global corporations to governments – as well as the geographies we operate in and the types of income we generate. This diversity gives us resilience through economic cycles and gives us the platform to deliver a consistent level of financial performance.

That, in turn, means we can better serve our stakeholders. We aim to deliver for our customers and clients, create a great place to work for colleagues, support society and provide consistent returns to shareholders. As we target sustainable growth for our Company, our stakeholders will be able to grow with us.

 [Read about our Purpose at home.barclays/purposeandvalues](https://home.barclays/purposeandvalues)

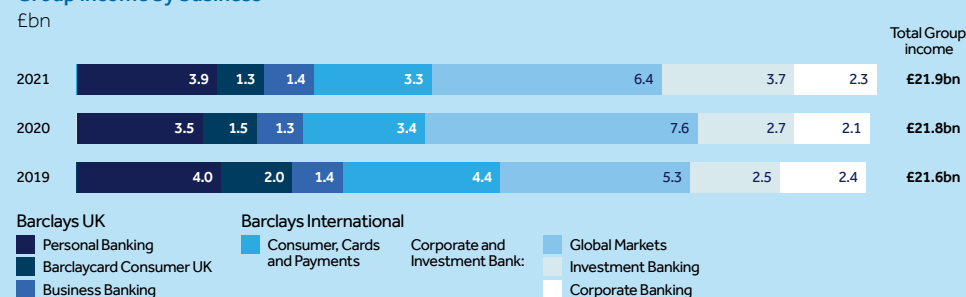
 [Read about our business model on page 12](#)

Left: **Pranee Laurillard**
Co-Founder, Giggling Squid

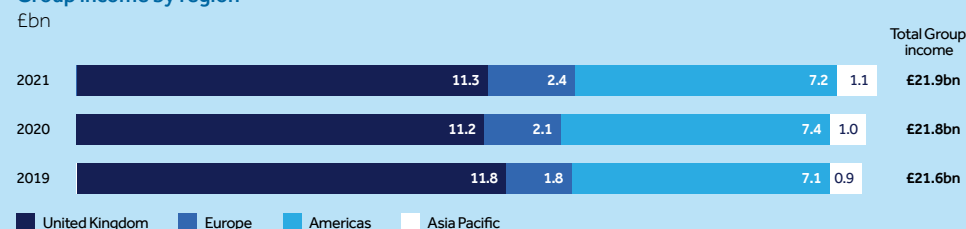
Right: **Philip Richardson**
Barclays Director, Hospitality & Leisure

Demonstrating the benefits of diversification

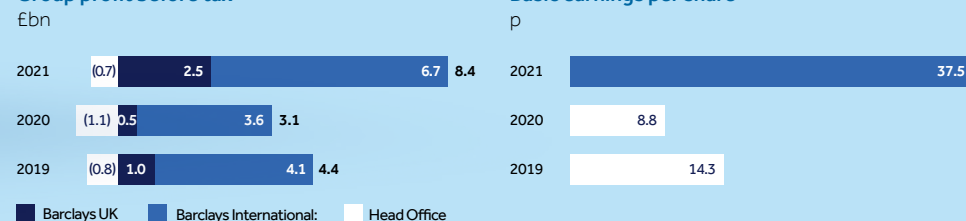
Group income by business



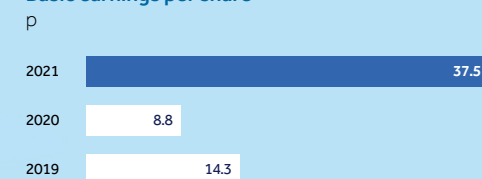
Group income by region



Group profit before tax



Basic earnings per share



Chairman's introduction

2021 was a challenging year in many respects, but Barclays responded well. All of our colleagues can be very proud of their achievements during the year.

Optimism for the future

The defining backdrop to 2021 was the continuation, and evolution, of the COVID-19 pandemic, together with the associated economic uncertainties. Our colleagues have continued to work hard, adapting well to the mixed home/office environment, while also confronting the dreadful reality of the various COVID-19 waves, such as we saw in India in Q1 2021. Ensuring compliance with government guidance has been a priority, and of course the rules have varied from location to location. Barclays has tried to be as flexible as possible, recognising that there are colleagues nervous of a return to crowded transportation just as much as there are those who feel better by being in the office.

We hope to settle into a clearer working pattern in 2022 and fully expect that to encompass a greater degree of choice and flexibility than in the past, a welcome development. Consistent with our Purpose, 'to deploy finance responsibly to support people and businesses', we expect to be able to adjust the nature of work in such a way that it enhances our ability to serve customers and clients properly.

Performance

While the Group benefited from extraordinary levels of activity in Investment Banking and Global Markets during the COVID-19 pandemic, it also faced declines in consumer spending and card balances. The welcome policy responses of governments to the pandemic brought considerable relief to individuals, households and companies, as well as a prolongation, at least until recently, of the low interest rate environment. All in all, colleagues should be very pleased with the strong results this year and the high degree of capital and operational resilience achieved against this backdrop. We are also pleased to have been able to distribute returns, through a resumption of dividends and a commencement of share buy-backs, to our shareholders. Their understanding and support during the current health and economic crisis has been much appreciated.

This performance was in no small way a credit to Jes Staley, who left Barclays as Chief Executive towards the end of the year, and the team he assembled. It is obviously not appropriate for me to comment at the moment, further than has been done already, on the circumstances of Jes's departure. It is important to let the regulatory and related processes take their course and, at the time of writing this letter, they have not completed. It is appropriate, however, to recognise that under the leadership of Jes, Barclays established a clear strategy, built up a secure capital base, improved its operational resilience and developed its business-leading franchises. We are therefore grateful for the hard work that he put in for the Company.



“ Colleagues should be very pleased with the strong results this year and the high degree of capital and operational resilience achieved against this backdrop.

As a consequence of having an effective succession plan in place, the Board had no hesitation about asking CS Venkatakrishnan (known as Venkat) to take on the leadership of the Company. Venkat has been with Barclays for six years, first as Chief Risk Officer and latterly, and in anticipation of succeeding Jes Staley in due course, running Global Markets. The Board is confident that Venkat will be a great leader of the business.

Tushar Morzaria has informed the Board of his intention to retire and the Board is delighted to have, in Anna Cross, such a strong internal successor. Anna was identified over a year ago as the Board's preferred successor, following a review of potential internal and external candidates. Tushar has been an outstanding Finance Director and colleague, as well as playing broader roles inside and outside Barclays; the Board is both grateful for his immense hard work and delighted that he will have a continuing role with Barclays.

Chief Executive's introduction and market overview

Banking is undergoing a deep transformation driven by a number of major forces of change. Each brings challenge and opportunity for Barclays. It is essential that our strategy reflects these challenges and opportunities, and that we adapt and innovate to grow

Challenge and opportunity

It is a great honour to be the Chief Executive of Barclays.

I am deeply conscious that I succeed a three-century long line of stewards of this Company. It is my turn, with this generation of colleagues, to provide the Group with the financial strength and business capability for continued prosperity.

In this brief letter, I will address our recent financial performance, the current business and operating climate, and how we aim to adapt and grow our products and services, particularly digitally, to meet the needs of our customers. It is a statement of strategy and approach, paying close heed to our role in society.

A Universal bank, based in Britain

We are a British bank with a universal model, offering a range of services to clients worldwide. We are a large consumer bank, managing an excellent credit card franchise, a leading corporate bank, and one of the largest global investment banks. Each is a successful business in its own right, but together they comprise a resilient and balanced Group, which has delivered record levels of profitability in 2021.

Group Profit Before Tax for 2021 is £8.4bn and Group Return on Tangible Equity for the year is 13.4%, with both our operating divisions – Barclays UK and Barclays International – delivering double-digit returns. We also remain highly capitalised, with a CET1 ratio of 15.1% as at year end.

Given this strength, we have been able to announce a return of over £2.5bn of excess capital to shareholders for 2021, comprising a dividend of 6p per share and £1.5bn in share buy-backs. This is equivalent to a total payout of 15p per share. Continuing to return capital to shareholders remains an important priority and, as we end the year with a CET1 ratio above 15%, I am confident in our ongoing ability to do so.

Our diversification has been an essential feature of the resilience of the Group through the ongoing COVID-19 pandemic. In 2020, strong profitability in our Corporate and Investment Bank (CIB) helped us withstand a severe downturn in our consumer businesses. This year, the robust performance of the CIB continued while our consumer businesses also recovered, in line with the broader economy.

Over the last five years, Barclays' share price has declined by 16%, but this is less than the 26% decline in the FTSE 350 UK Bank Index over the same timeframe. In stark contrast, we have meaningfully underperformed our US peers, who are up 66% on a combined basis over the same period. This underscores the necessity of producing steadily improving financial performance, maintaining commitment to our business model and clients, explaining it well to our investors and overcoming the particular challenges of our local economic circumstances.



“
Banking is undergoing a deep transformation driven by three major forces of change: technology, the growth of capital markets, and climate transition. Each brings challenge and opportunity for Barclays.

Our performance over the last two years, certainly compared to UK banks, is evidence that the universal bank strategy has provided strength and stability. I am grateful to my predecessor, Jes Staley, and to our Group Finance Director, Tushar Morzaria, for forging this path. I have no doubt that this diversified model will remain the bedrock of our success for many years.

I would also take this opportunity to acknowledge Tushar Morzaria's enormous contribution to Barclays over the past 8 years, and to thank him personally for this and for his support. I am delighted that Tushar will continue with Barclays as Chairman of Global Financial Institutions Group in our Investment Bank. Our clients will be able to benefit further from his deep knowledge

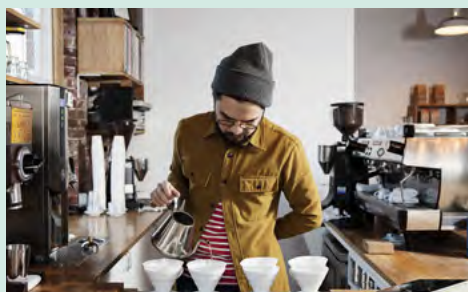
of our industry. I strongly endorse the appointment of Anna Cross as Group Finance Director and am delighted that the Board has asked her to succeed Tushar. I look forward to working closely with Anna as we continue to deliver our strategy.

Engaging with our stakeholders

Barclays aims to create value for everyone we serve, balanced across the short and the long term. We think about our core stakeholders as belonging to four groups: customers and clients, colleagues, society, and investors.

Better engagement to grow together

Customers and clients



Our customers and clients are at the heart of everything we do. We are committed to their best interests and endeavour to serve them better, and engage with them regularly to help us achieve that.

What do they tell us?

We engage with customers and clients in a wide variety of ways, including running regular surveys, analysing customer complaints, and drawing on data from millions of individual transactions and personal customer interactions.

Customers told us:

- they want to engage with banking differently, reflecting the change in society, with guidance and a comprehensive product set to support their plans for the future
- customers want us to take steps to being more green
- they want continued support through the pandemic and environment of low interest rates and rising inflation.

How we responded?

We continued to play a role in supporting customers and clients impacted by the pandemic.

We continued to invest in enhancing our digital propositions and electronic trading-driven business to drive efficiency and scale.

Barclays Digital Eagles and Money Mentors helped customers use our digital platforms to build financial confidence and plans.

We facilitated £29.8bn^A of green financing in 2021, up 69% from £17.6bn in 2020, and continue to develop our sustainable product set.

We have completed over £1bn in Green Home Mortgages since 2018, extended our eligibility criteria this year and helped 48,000 first time buyers onto the property ladder.

We are collaborating with SaveMoneyCutCarbon (SMCC) to provide Corporate Banking clients with access to SMCC's marketplace and tools to guide them through ways to reduce their carbon, energy and water use, making their operations more sustainable

Over £1bn

Green Home Mortgages completed since 2018

Colleagues



Our people are our most valuable asset. They make a critical difference to our success, and our investment in them protects and strengthens our culture.

What do they tell us?

Our long established approach of regularly engaging with colleagues, Unite, the Barclays European Forum and other colleague forums, ensures we listen and take different perspectives into account.

In 2021, we ran regular Here to Listen surveys in addition to our annual Your View survey to gain regular feedback.

- 83% of colleagues believe they are able to balance personal and work demands (2020: 78%).
- 75% of colleagues say the stress levels at work are manageable (2020: 74%).

We launched the Barclays Mindset, capturing positive improvements in ways of working.

- 83% of colleagues tell us they believe it is the right Mindset to drive success at Barclays.
- 89% of colleagues believe their teams do a good job of role modelling the Mindset every day.

Our overall Inclusion Index score for 2021 is 79%, with 88% of colleagues saying they feel included in their team.

How do we respond to them?

In 2021, our Be Well programme continued to provide support for colleagues to look after their physical and mental health. We focused on three key areas in particular; commitment to make Barclays a 'Mental Health Confident' organisation, further development of our supportive culture and a renewed emphasis on sustainable working.

We launched a new partnership with LinkedIn Learning providing extensive digital development to all colleagues globally.

89% of colleagues completed e-learning on Developing our supportive culture.

88%

of colleagues believe their line manager supports their wellbeing

Our people and culture continued

The COVID-19 pandemic has required us to adapt to changes in hiring demands and volumes. This has been particularly important in customer-facing areas where we know it is critical that we are providing support to our customers. We have also taken steps to enhance our candidate assessment processes, including factoring in the new Barclays Mindset so we can ensure we're attracting and hiring candidates with the capability to Empower, Challenge and Drive.

People with different perspectives and life experiences make our organisation stronger, so we are committed to attracting, developing and retaining a workforce that is as diverse and inclusive as possible. We are an equal opportunities employer and give full and fair consideration to all populations based on their competencies, strengths and potential. You can find more information in our Diversity & Inclusion Report at home.barclays/annualreport.

We retain an emphasis on hiring from within. This year, we filled 39% of vacancies internally and added a further 851 graduates to our internal pipeline of future leaders. We also continue to invest in our flagship career development programmes, including our AFTER programme to support those who have been in the armed forces. After a period of in-depth research, we launched new global programmes this year, managing 2,039 graduates, interns and apprentices.

Our Glasgow campus

Our Glasgow campus is a 500,000 square foot site on the banks of the river Clyde. This is a brownfield area transformed into a new city centre park and is the first Barclays campus to implement a zero waste strategy.

The campus will house Technology, Operations, and Functions teams – bringing new high-value roles to the city. Barclays has grown its workforce in Glasgow by over 90% in the last four years and is on track to have around 5,000 employees on campus by 2023.

One of the top priorities while developing the site was to create a world class accessible workspace. We wanted to create a welcoming, inclusive environment for people with physical, cognitive and sensory disabilities, incorporating design for neurodiversity and including people on the autism spectrum. The project team commissioned accessible design specialists, Motionspot, and embarked upon a two-year partnership with Scottish Autism to ensure they met this crucial objective.

As the world of work transforms in the wake of the pandemic, the Glasgow campus will enable a hybrid approach to office working, striking the right balance between collaboration and flexibility.

Beyond the highly-skilled new roles being created within Barclays, the campus is rooted in the local community and economy, with a focus on using local suppliers and contractors wherever possible.

This is the latest step in Barclays' global location strategy which is focused on bringing teams closer together to drive innovation and collaboration.

Developing people for the future

At Barclays, we believe that everyone has the potential to continuously grow. We are committed to cultivating a culture of lifelong learning and our development proposition is designed to support colleagues at every stage of their career.

A wide range of development opportunities are available to help colleagues build their careers, delivered through our digital learning platform, Learning Lab.

This year we launched a new partnership with LinkedIn Learning, providing extensive digital development to all colleagues globally. We also have a number of corporate memberships with industry experts, allowing our colleagues to remain up to date with the latest developments and trends. In line with our professional qualification guidance, Barclays encourages colleagues to study for degree programmes and professional qualifications that benefit the business and support their development.

We are also committed to cultivating leadership skills among colleagues, whether they are in a leadership role or not. The Barclays Leadership Framework provides a guide to support colleagues with their own leadership development, and applies across all levels – from new line managers to our Group Executive Committee. We also continue to operate three flagship leadership development programmes: our Enterprise Leaders Summit, our Strategic Leaders Programme and Aspire.

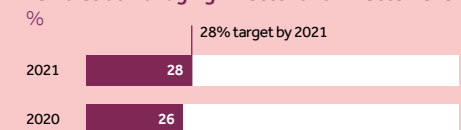
We measure the success of our development offering through our colleague surveys, Your View and Here to Listen, tracking the progression of participants from our leadership development programmes, as well as tracking our levels of retention, and internal mobility. These measures feed into our training and development approach, enabling us to focus action on the right areas for our workforce.

Notes

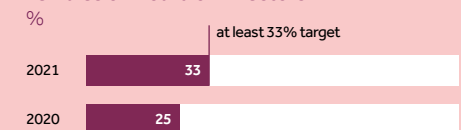
^a With the appointment of Robert Berry (effective 8 February 2022), the percentage of females on the BPLC Board of Directors decreased to 31%. You can read more about gender diversity on the Board in the report of the Board Nominations Committee on page 124 of Part 2 of the Annual Report.

Female colleagues

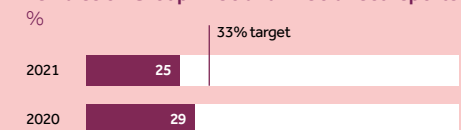
Females at Managing Director and Director level



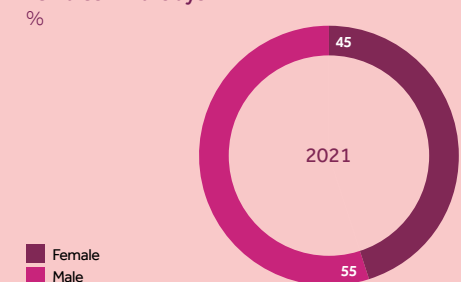
Females on Board of Directors¹⁶



Females on Group ExCo and ExCo direct reports



Females in Barclays



Our people and culture continued

Highlights

Graduate hires

851

2020: 961

Average training days per annum per employee (payroll)

2

2020: 1.7

Average training hours per annum per employee (payroll)

15

2020: 13

Voluntary employee turnover

11%

2020: 6%

Employee turnover

14%

2020: 9%

We promote a culture of continuous feedback, encouraging all colleagues to have regular performance conversations with their line manager throughout the year. This happens in addition to the annual performance review process that applies to all permanent employees. In these conversations, both 'what' has been achieved as well as 'how' it has been achieved are reviewed. This ensures our colleagues are able to keep broadening their skills, emphasising their personal development and working in a way that reflects our Values and Mindset.

We also want to help colleagues balance their work life with their personal commitments, supporting career development opportunities at each life stage. We offer enhanced maternity, paternity, adoption and shared parental entitlements in all our major jurisdictions.

NOTE:

Under the Companies Act 2006 (the 'Companies Act'), Barclays is required to report on the gender breakdown of our employees, 'senior managers', and the Board of Barclays PLC's Directors. The Group's global workforce was 88,565 (48,453 male, 40,058 female, 54 unavailable), with 434 senior managers (342 male, 92 female), and the Board of Barclays PLC had 12 directors (8 male, 4 female) as at 31 December 2021. This is on a headcount basis, including colleagues on long-term leave. Unavailable refers to colleagues who do not record their gender in our systems. The 'male' and 'female' gender splits disclosed in this paragraph are based on Companies Act disclosure requirements and numbers are taken from our employee records which are maintained pursuant to applicable rules and regulations on employee record keeping. For further information on the Group's approach to building a more inclusive company, including a broader range of gender data and characteristics please see our voluntary disclosures included in our Diversity & Inclusion report, published on our website at home.barclays/annualreport. '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 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. The definition of 'senior managers' within this disclosure has a narrower scope than the Managing Director and Director female representation data provided.

Building a supportive and inclusive culture

Building a supportive and inclusive culture is not only the right thing to do, but also what is best for our business. It creates a sense of belonging and enables colleagues to perform to their highest capability.

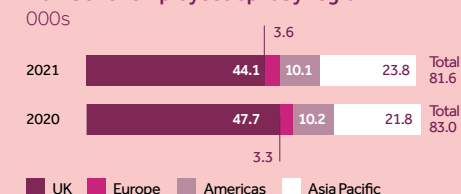
We focus on six areas of diversity and inclusion: disability, gender, LGBT+, multicultural, multigenerational and socioeconomic inclusion. We have Employee Resource Groups in place across each of these areas to provide support and advice, create development opportunities and raise awareness of issues and challenges. Membership of our Employee Resource Groups is at an all-time high, with over 25,000 colleagues now involved in one or more. Their insight and experiences help influence our people policies and inform the commitments and actions we take as an organisation to give our people the support they need to succeed.

We strive to embed a culture of inclusion through our allyship initiatives, encouraging colleagues to become allies and to focus on understanding and eliminating barriers faced by underrepresented groups. We provide a toolkit for these colleagues to help them take conscious, positive steps to make everyone feel that they belong. In our Your View survey, 79% of colleagues told us they believe we are all in this together at Barclays, while 82% say they believe leaders are committed to building a diverse workforce.

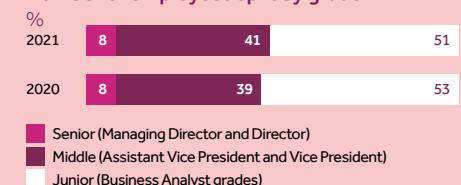
We remain committed to improving the diversity of our leaders and to closing pay gaps at Barclays. We aim for diverse promotion assessors and panels, helping us to ensure the widest available pool of talent is considered for promotion. We actively provide development opportunities for leaders of the future such as ex-officio roles and places on our development programmes. As of the end of 2021, 28% of our global Managing Directors and Directors were female, and 30% of our UK Managing Directors and Directors were female.

Employee statistics

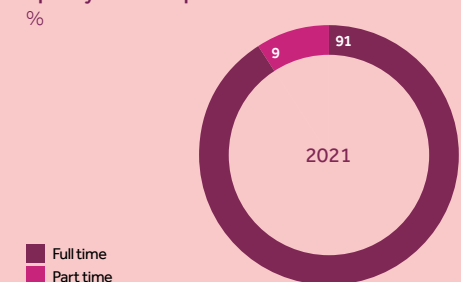
Number of employees split by region



Number of employees split by grade



Split by full time/part time



Our people and culture continued

Digital Unleashed

Digital Unleashed is Barclays flagship digital and technology speaker series, open to every colleague in the bank. It is delivered virtually and in partnership with a network of internal and external industry thought leaders, and is sponsored by our global senior leadership. The event is designed to empower colleagues to build their digital skills and to help drive a culture of innovation. In 2021, the event combined 11 live sessions, with a range of podcasts and curated online learning resources, delivering a fully rounded learning experience for colleagues. Over 2,000 colleagues attended one or more of the live events, with more watching mobile enabled replays and accessing content through our digital learning platform, Learning Lab.

We closely track the ever-changing composition of our people through online dashboards that make sure our senior leaders understand the diverse makeup and needs of the organisation they lead. Our Inclusion Index, launched in 2020, continues to allow us to measure colleagues' experience of how inclusive the Barclays culture is and gives us a benchmark for monitoring progress year on year. Our overall Inclusion Index score for 2021 is 79%, up from 76% last year. 88% of colleagues say they feel included in their team.

Through our Race at Work Action Plan, we are working to close the gaps in the UK and US where some ethnicities are significantly underrepresented at Barclays. We are focusing our efforts across four areas: increasing the number of underrepresented minority employees we hire; providing access to career and development opportunities; creating a culture of allyship across the organisation; and being transparent and measuring our outcomes, allowing us to see the impact our actions are having over time.

In the UK, we aim to increase the number of underrepresented minority employees by 25% by the end of 2025. This will take us to 5% overall. In the US, we aim to increase the number of underrepresented minority employees by 20% by the end of 2025. This will take us to 21% overall. In the UK and the US, we aim to at least double the number of Black employees at Managing Director and Director level by the end of 2022, which we are on track to meet.

This year, we continued to review the provision of Workplace Adjustments for colleagues with disabilities to further our strategy for a more globally consistent and supportive experience. We encourage managers to check in regularly with their teams and to emphasise the importance of safe working and appropriate workstation setup. As part of the UK Government Disability Confident scheme, we encourage applications from people with a disability, or a physical or mental health condition. We require managers to give full and fair consideration to those with a disability on the basis of strengths, potential and ability, both when hiring and managing. We also ensure opportunities for training, career development and promotion are available to all.

Mental health and wellbeing continues to be a major focus, with 88% of colleagues telling us their manager supports their efforts to maintain wellbeing. Through our Be Well programme, we continue to provide expert advice and guidance on the practical steps colleagues can take to look after their physical and mental health. In 2021, we focused on three key areas in particular: a continued commitment to make Barclays a 'mental health confident' organisation, further development of our supportive culture and a renewed emphasis on sustainable working.

This year, we launched a new Wellbeing Index, with a starting score of 84%, giving us a metric for measuring the wellbeing of colleagues and informing the Be Well programme. We are very pleased to see colleagues' ability to balance their personal and work demands has improved from 78% in 2020 to 83% in 2021. In time, it will mean we can better understand the impact of particular activities on colleagues wellbeing and continue to evolve the Be Well programme offering.

We continue to promote our wellbeing offerings, including the global Be Well portal, with 43% of colleagues registered. Throughout the year, we executed leader-led campaigns to offer practical guidance on looking after physical and mental health, enhancing wellbeing and resilience and a continued focus on safe working. We also focused on stress manageability through ongoing campaigns, and the promotion of Health and Wellbeing workshops. We launched Developing our supportive culture e-learning with 89% completion. We were one of the first businesses to sign up to the Mental Health at Work Commitment and we continue to deploy Mental Health Awareness as required e-learning.

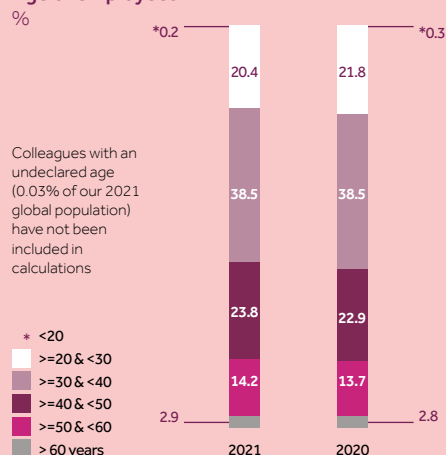


You can find more information in our Diversity and Inclusion Report available at home.barclays/annualreport

Our people and culture continued

Multi-generational split

Age of employees



Beyond the pandemic

We continue to follow government guidance relating to COVID-19 in all the jurisdictions we operate in, taking a prudent and considered approach to return to office that prioritises the health, safety and wellbeing of colleagues.

Where possible, and in line with local government guidance, we have undertaken a programme to gradually increase the number of colleagues returning to working in the office at least some of the time.

Throughout the pandemic, we have kept our buildings operating safely for key workers by maintaining health and safety measures. In advance of colleagues returning, we risk-assessed all our buildings and provided training to colleagues on the safety measures that would be in place as they returned. We continue to evaluate and adjust these measures in accordance with government guidance and the latest epidemiology.

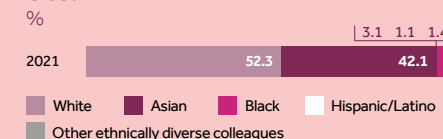
In the early stages of the pandemic, Barclays put in place a set of global principles to ensure we were doing as much as possible to support our colleagues. We have kept these principles in place and evolved them with the changing nature of the pandemic. The principles and provisions have helped colleagues cope with some of the personal challenges the pandemic has created, including offering additional paid leave to support self-quarantine, isolation, vaccination, sickness or care for dependants and advice made available to help support physical and mental health. Colleagues who have returned to on-site working did so on a voluntary basis and we have worked closely with any colleagues who have concerns about returning, to understand those concerns and support them.

We are also thinking carefully about the future of work at Barclays. We want to balance the best of the past with the best of what we have proved possible during the pandemic. We have adopted the principle that the optimal physical location for a role is largely determined by the nature and requirements of that role. At the same time, it is important to us that everyone at Barclays, no matter what their role, maintains a strong connection to their colleagues at a Barclays site.

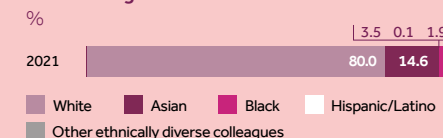
In support of our approach to future ways of working, we have revised and relaunched our principles, process and guidance on Working Flexibly. At Barclays, we encourage colleagues to work flexibly to balance and integrate their work and other life commitments, enhance their wellbeing and effectiveness at work and feel included, irrespective of personal circumstances. We have expanded the opportunity for many colleagues to work in a hybrid pattern, spending part of their time working from a Barclays site and part of their time working from home. Over the course of the year, colleagues have begun to transition to this new, hybrid way of working. We are taking a test and learn approach, and ways of working will continue to iterate into 2022 as we focus on balancing the benefits of working on site with more flexible solutions.

Ethnicity Representation

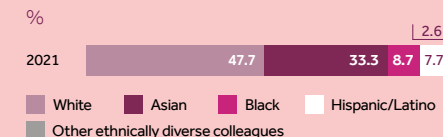
Global



United Kingdom



USA



Other ethnically diverse colleagues category includes Mixed, Native Hawaiian or Other Pacific Islander and Native American. USA relates to Country. UK relates to Region. Colleagues with an undeclared ethnicity and/or are based in continental Europe and the Middle East (21% of our global population) have been excluded from all calculations

Introduction

Our approach to ESG disclosures

Our approach to environmental and social issues is becoming increasingly integrated in the work we do across our business and is subject to the governance and oversight of our management and Board structures. Reflecting this trend, we have taken the decision to integrate our ESG reporting into this year's Annual Report. The following pages set out more information on our approach to ESG, including how we think about, and measure, our environmental and social impacts. Our approach is informed by our engagement with our stakeholders, including with customers and clients, colleagues, investors, regulators and wider society.

Although there is no globally accepted regulatory framework for ESG disclosures, Barclays supports efforts to further enhance ESG reporting and improve consistency across the industry. For example, we were

one of the founding signatories of the United Nations Principles for Responsible Banking (PRB) and we continue to support the work of the International Sustainability Standards Board (ISSB) and the Sustainable Markets Initiative. We are also pleased to report under the framework set out by the Task-Force on Climate-related Financial Disclosures (TCFD); our report is available to read alongside this document as well as our high-level summary on pages 100 to 101 for further details. We participate in a range of regional and global industry efforts to promote increased harmonisation on data, taxonomies and disclosures. As reporting standards develop and begin to be implemented across jurisdictions, we will continue to evolve our approach to ESG disclosures in line with regulatory guidance and market practice.

Beyond the information included in these pages, additional disclosures can be found online via our ESG Resource Hub.

KPMG LLP Limited Assurance

Barclays appointed KPMG LLP to perform limited independent assurance over selected ESG content, which have been marked with the symbol Δ.

The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements. A limited assurance opinion was issued and is available at the website link below. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this section of the Annual Report has been subject to external assurance or audit.



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

ESG Resource Hub

The Resource Hub provides 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.



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

ESG Data Hub

This year, we have launched a new online ESG Data Hub located within the ESG Resource Hub, providing access to key ESG related metrics in a single place.



home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

ESG Additional Reporting Disclosures

We have published detailed climate disclosures, consistent with the guidance given by the Task-Force on Climate-related Financial Disclosures, in a separate TCFD Report. Please refer to our summary of climate-related financial disclosures on pages 100 to 101 for further details.

We also provide additional information online including progress reporting through our membership of initiatives such as the Principles for Responsible Banking (PRB), as well as reporting indices with reference to the relevant sector guidelines from the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI).



home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/



ESG: Governance continued

Barclays supports a fair and transparent tax system.

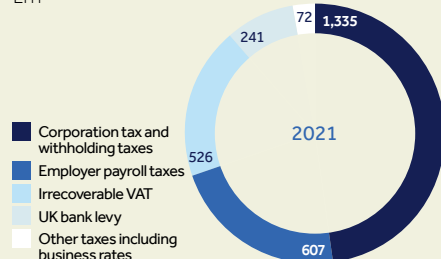
Tax

Taxes paid globally

£2,781m

Taxes paid globally

£m



2020 taxes paid globally £2,113m

Barclays has a responsible approach to tax, strong governance and risk management over tax risk and is committed to transparency around tax.



For further details, see our Country Snapshot Report at: home.barclays/annualreport

Tax contribution

We continue to make substantial tax contributions across the jurisdictions in which we operate, both in terms of taxes paid and taxes collected. Our total tax contribution for 2021 was £5,792m. This includes taxes paid of £2,781m which represent a cost to us, and taxes collected on behalf of governments of £3,011m.

Barclays was ranked as the fourth-largest UK taxpayer, in terms of taxes paid, in the most recent PwC Total Tax Contribution survey of the One Hundred Group ('100 Group'). The 100 Group represents members of the FTSE 100 along with several large UK private companies. Over the last decade, we have consistently been ranked as one of the top five largest UK taxpayers, paying over £14bn of taxes in the UK alone.

Approach to tax

Barclays' Purpose is to deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term. Our approach to taxation, also known as our tax strategy, is aligned with this Purpose as well as our Values of Respect, Integrity, Service, Excellence and Stewardship.

Our approach to tax has three core objectives:

- responsible approach to tax,
- effective interaction with tax authorities, and
- transparency in relation to our tax affairs.

We manage our tax affairs in accordance with our Tax Principles and tax code of conduct, HMRC's Code of Practice on Taxation for Banks, and aim to file our returns on time and pay the correct amount of tax. We are committed to only dealing with customer or client assets that have been appropriately declared to the relevant tax authority.

We are committed to being a leader in tax transparency. We have published details of the taxes we pay by country and our approach to tax since 2013, and have chosen to expand external publications such as the Country Snapshot. We make clear disclosures to tax authorities.

Our Country Snapshot is publicly available and sets out our approach to tax in detail, including our Tax Principles. Our Country Snapshot including our UK tax strategy is reviewed and approved annually by the Barclays PLC Board Audit Committee.



Barclays was ranked as the fourth-largest UK taxpayer, in terms of taxes paid, in the November 2021 PwC Total Tax Contribution survey of the One Hundred Group.

Directors' report: Our Board of Directors

Informed by our Purpose, responsible for setting our strategic direction

Nigel Higgins
Group Chairman

NC



C.S. Venkatakrishnan
Group Chief Executive



Brian Gilvary
Senior Independent
Director

ReC NC RiC



Mike Ashley
Independent
Non-Executive
Director

AC NC RiC



Robert Berry
Independent
Non-Executive
Director



Tim Breedon CBE
Independent
Non-Executive
Director

RiC NC



Mohamed A. El-Erian
Independent
Non-Executive
Director

RiC



Dawn Fitzpatrick
Independent
Non-Executive
Director

ReC RiC



Mary Francis CBE
Independent
Non-Executive
Director

ReC



Crawford Gillies
Independent
Non-Executive
Director

NC



Tushar Morzaria
Group Finance
Director



Diane Schueneman
Independent
Non-Executive
Director

AC NC RiC



Julia Wilson
Independent
Non-Executive
Director

AC



Stephen Shapiro
Group General
Counsel and Group
Company Secretary



Nigel Higgins

Group Chairman

Appointed:

March 2019 (Board), May 2019 (Chairman)

Skills, experience and contribution:

- Seasoned business leader with extensive experience in, and understanding of, banking and the financial services industry
- Strong track record in leading and chairing organisations
- Significant experience in providing strategic advice to major international organisations and governments
- Keenly focused on culture and corporate governance

Nigel spent 36 years at Rothschild & Co. where he was most recently Deputy Chairman. Prior to that he was Chairman of the Group Executive Committee and Managing Partner of Rothschild & Co.

Key current appointments:

Chairman, Sadler's Wells; Non- Executive Director, Tetra Laval Group

Board Committee membership

- AC** Audit Committee Member
- RiC** Risk Committee Member
- ReC** Remuneration Committee Member
- NC** Nomination Committee Member
- Committee Chair

C.S. Venkatakrisnan

Group Chief Executive

Appointed:

November 2021

Skills, experience and contribution:

- Highly regarded leader with significant banking and financial services experience
- Extensive experience in risk management
- Deep understanding of the business and the markets within which the Group operates

Prior to his appointment as Group Chief Executive, Venkat served as Head of Global Markets and Co-President of Barclays Bank PLC from October 2020 and Group Chief Risk Officer from 2016 to 2020. Venkat is the executive sponsor for Embrace, the global multi-cultural network at Barclays. Prior to joining Barclays in 2016, Venkat worked at JPMorgan Chase from 1994, holding senior roles in Asset Management where he was Chief Investment Officer in Global Fixed Income, as well as in Investment Banking, and in Risk.

Key current appointments:

Board Member, Institute of International Finance; Advisory member to the Board, Massachusetts Institute of Technology Golub Centre for Finance and Policy

Brian Gilvary

Senior Independent Director (SID)

Appointed:

February 2020 (Board), January 2021 (SID)

Skills, experience and contribution:

- Extensive senior level experience of management, finance and strategy
- Deep experience of US and UK shareholder engagement
- Significant experience with, and understanding of, the challenges and opportunities inherent in advancing a sustainable energy future

Brian spent much of his career with bp p.l.c. in senior leadership roles, where he was most recently Chief Financial Officer. His other senior-level experience includes serving on the boards of various commercial and charitable organisations. Brian was Chair of the FTSE 100 Group of Finance Directors, a member of the UK Treasury Financial Management Review Board and has served on various HRH Prince of Wales' Business in the Community Leadership Teams.

Key current appointments:

Executive Chairman, INEOS Energy, an INEOS group company

Directors' report: Board of Directors continued

Mike Ashley

Independent Non-Executive Director

Appointed:

September 2013

Skills, experience and contribution:

- Specialised knowledge of accounting and audit related matters
- Extensive experience of auditing large international financial institutions
- Deep financial services and regulatory knowledge and experience

Mike previously worked at KPMG for over 20 years. Mike's former roles include acting as the lead engagement partner on the audits of large financial services groups including HSBC, Standard Chartered and the Bank of England, as Head of Quality and Risk Management for KPMG Europe LLP and as KPMG UK's Ethics Partner.

Key current appointments:

Member, Cabinet Office Board; Member, UK Endorsement Board; Member, ICAEW Ethics Standards Committee; Treasurer, The Scout Association

Robert Berry

Independent Non-Executive Director

Appointed:

February 2022

Skills, experience and contribution:

- Proven track record of management of risk exposure for a global financial institution and building a modern group-wide risk management organisation
- Strong record of integrating risk management with strategy
- Significant experience in finance, model development and trading

Robert was appointed to the Board on 8 February 2022 and, with effect from 1 March 2022, will take over the role of Chair of the Board Risk Committee (subject to regulatory approval) and become a member of the Board Audit Committee. Robert had a 28-year career at Goldman Sachs, where, most recently, he was the Co-Deputy Chief Risk Officer until 2018.

Key current appointments:

Board President, Alina Lodge

Tim Breedon CBE

Independent Non-Executive Director

Appointed:

November 2012

Skills, experience and contribution:

- Significant experience in strategic planning
- Extensive financial services experience
- Detailed knowledge of risk management and UK and EU regulation

Tim is a member of the Board and is also Chair of Barclays Bank Ireland PLC (also referred to as Barclays Europe). He had a distinguished career with Legal & General, where, among other roles, he was the Group Chief Executive Officer until June 2012. Tim also served as Chair of the Association of British Insurers. Tim will retire as a member and Chair of the Board Risk Committee and a member of the Board Nominations Committee with effect from 28 February 2022.

Key current appointments:

Chairman, Apax Global Alpha Limited; Non-Executive Director, Quilter PLC

Mohamed A. El-Erian

Independent Non-Executive Director

Appointed:

January 2020

Skills, experience and contribution:

- Highly respected economist and investor
- Extensive experience in the asset management industry and multilateral institutions
- Deep knowledge and understanding of international economics and financial services sector

Mohamed is Chief Economic Advisor at Allianz SE, the corporate parent of PIMCO (Pacific Investment Management Company LLC) where he formerly served as Chief Executive and Co-Chief Investment Officer. Mohamed is a regular columnist for Bloomberg Opinion and a contributing editor at the Financial Times. He spent 15 years at the IMF where he served as Deputy Director before moving to the private sector and financial services. He currently serves as President of Queens' College, Cambridge University.

Key current appointments:

Lead Independent Director, Under Armour Inc.; Chief Economic Adviser, Allianz SE; Chairman, Gramercy Funds Management; Senior Advisor, Investcorp Bank BSC

Dawn Fitzpatrick

Independent Non-Executive Director

Appointed:

September 2019

Skills, experience and contribution:

- Extensive management experience of international financial institutions
- Strong financial and strategic leadership experience
- Detailed knowledge of the markets in which the Group operates

Dawn holds the role of Chief Executive Officer and Chief Investment Officer at Soros Fund Management LLC. Her previous experience includes 25 years with UBS, most recently as Head of Investments for UBS Asset Management.

Key current appointments:

Chief Executive Officer and Chief Investment Officer, Soros Fund Management LLC; Member, The New York Federal Reserve's Investor Advisory Committee on Financial Markets; Member, Advisory Board and Investment Committee of the Open Society Foundations' Economic Justice Programme; Advisory Council Member, The Bretton Woods Committee

Mary Francis CBE

Independent Non-Executive Director

Appointed:

October 2016

Skills, experience and contribution:

- Extensive board-level experience across a range of industries
- Strong focus on reputation management and promoting board governance values
- Detailed understanding of the interaction between public and private sectors

Mary's previous appointments include Non-Executive Directorships at the Bank of England, Alliance & Leicester, Aviva, Centrica and Swiss Re Group. In her executive career, Mary held senior positions with both HM Treasury and the Prime Minister's Office and served as Director General of the Association of British Insurers.

Key current appointments:

Senior Independent Director, PensionBee Group PLC; Member, UK Takeover Appeal Board

Crawford Gillies

Independent Non-Executive Director

Appointed:
May 2014

Skills, experience and contribution:

- Extensive business transformation and management experience in international and cross-sector organisations
- Deep understanding and experience of stakeholder engagement
- Strong leadership qualities and expert at strategic decision-making

Crawford is a member of the Board having previously held the roles of Senior Independent Director and Chair of the Board Remuneration Committee. He is Chair of Barclays Bank UK PLC. Crawford has held a number of roles during his 30-year career including Managing Partner Europe of Bain & Company, Chair of Scottish Enterprise and the Confederation of British Industry London (CBI) and Non-Executive Director roles at both Standard Life and SSE.

Key current appointments:
Chairman, Edrington Group

Diane Schueneman

Independent Non-Executive Director

Appointed:
June 2015

Skills, experience and contribution:

- Significant experience of managing global, cross-discipline business operations and client services in the financial services industry
- Strong transformational programme experience
- Extensive technology and information security expertise

Diane is Chair of Barclays Execution Services Limited and a member of the Board of Barclays US LLC. Diane was previously Global Chief Infrastructure Officer of Merrill Lynch, where she was responsible for all technology and operations across retail, corporates and banking.

Key current appointments:
None

Tushar Morzaria

Group Finance Director

Appointed:
October 2013*

Skills, experience and contribution:

- Extensive knowledge of strategic financial management, investment banking and operational and regulatory relations
- Deep understanding of equity and debt capital management
- Significant financial leadership experience of international financial institutions

Tushar is a chartered accountant and Group Finance Director with responsibility for Finance, Tax, Treasury, Investor Relations and Strategy. Immediately prior to joining Barclays, Tushar was Chief Financial Officer of the Corporate and Investment Bank at JPMorgan Chase and before that, held various roles at SG Warburg, Credit Suisse and JPMorgan Chase.

Key current appointments:

Non-Executive Director bp p.l.c.; Member, 100 Group Main Committee; Chair, Sterling Risk Free Reference Rates Working Group

Julia Wilson

Independent Non-Executive Director

Appointed:
April 2021

Skills, experience and contribution:

- Significant board and executive-level strategic and financial leadership experience
- Extensive accounting, audit and financial services expertise
- Strong UK regulatory experience

Julia is a chartered accountant and is the Group Finance Director of 3i Group plc, having served on its board since 2008. Prior to joining 3i she was Group Director of Corporate Finance at Cable & Wireless where she also held a number of finance related roles. Julia was appointed as a Non-Executive Director at Legal & General Group PLC in 2011. She chaired L&G's Audit Committee between 2013 and 2016 and was Senior Independent Director from 2016 until she stepped down from L&G in March 2021.

Key current appointments:

Group Finance Director; Director, 3i Group plc; Chair, The 100 Group of FTSE 100 Finance Director

Stephen Shapiro

Group General Counsel and Group Company Secretary

Appointed:
November 2017

Relevant skills and experience

Stephen is an experienced lawyer and company secretary with a deep understanding of legal, corporate governance and regulatory matters. Holding the combined role of Group General Counsel and Group Company Secretary, he oversees Barclays' global Legal and Corporate Secretariat functions. Stephen is also a member of the Group Executive Committee (ExCo).

Career

Stephen previously served as the Group Company Secretary and Deputy General Counsel of SABMiller plc. Prior to this, he practised law as a partner in a law firm in South Africa, and subsequently in corporate law and M&A at Hogan Lovells in the UK. He was appointed as Group Company Secretary of Barclays in November 2017 and was subsequently appointed Group General Counsel in August 2020, in addition to his role as Company Secretary. Stephen is an active industry contributor and serves as a member of the GC100 Executive Committee, the association of General Counsel and Company Secretaries working in FTSE 100 companies, having previously served as Vice-Chair until January 2022. Stephen also previously served as Chairman of the ICC UK's Committee on Anti-Corruption.

*On 22 February 2022, Tushar notified the Board of his intention to retire from the Board and as Group Finance Director, and the Board has agreed that this will take effect on 22 April 2022.

Directors' report: Our Group Executive Committee

Barclays has a deep bench of senior leadership talent, with a balance of skills and experience to deliver our strategic ambitions.

Continuity in Barclays' strategy and leadership within ExCo

C.S. Venkatakrishnan (known as Venkat) was appointed as the Group Chief Executive on 1 November 2021, as detailed in the report of the Board Nominations Committee on pages 124 to 130. Shortly after his appointment, Venkat announced a series of changes to the roles of the existing members of the ExCo, with effect from 9 November 2021. These changes will ensure that, as our most senior management committee for the Group, ExCo is well-placed to support Venkat in his new role. ExCo will continue to have the right balance of skills and experience that we need in order to deliver for our stakeholders, and to not only maintain, but accelerate the Group's performance. The changes detailed below remain subject to regulatory approval where necessary.

Changes to ExCo in 2021

On Venkat's appointment as Group Chief Executive, Paul Compton became the sole

President of Barclays Bank PLC (BBPLC) and the Global Head of the Corporate and Investment Bank. Paul joined Barclays in 2016, initially as the Chief Operating Officer, and was most recently a Co-President of BBPLC (alongside Venkat), and the Global Head of Banking. Paul has been the driving force behind our success with the Power of One Barclays initiative – bringing the whole organisation more closely together to deliver the best of Barclays to our clients.

Stephen Dainton stepped down from ExCo to take on the role of Co-Head of Global Markets alongside Adeel Khan, reporting into Paul Compton. We are grateful to Stephen for his continued contribution as he takes on his new role.

Ashok Vaswani, previously Chief Executive Officer, Consumer Banking and Payments, stepped down from ExCo in order to take on a new role as the Chief Digital Strategy Officer.

We firmly believe that digital will be one of the defining opportunities for financial services in the coming years and Ashok has a huge depth of digital expertise, to help us capitalise on these opportunities. We are incredibly grateful for his continued contribution in his new role, which will help Venkat and ExCo to continue to explore, and take advantage of digital opportunities to reshape the Group.

Alistair Currie became Global Head of Consumer Banking and Payments, taking over from Ashok. Alistair defined and delivered a very successful strategy in his previous role as Head of the Corporate Bank, and created a fantastic platform for the business's future growth. His deep experience of digital transformation, in particular, is a major asset in his new role as Global Head of Consumer Banking and Payments.

C.S. Venkatakrishnan
Group Chief Executive



Tushar Morzaria
Group Finance Director



Mark Ashton Rigby
Group Chief Operating Officer
and Chief Executive, BX



Paul Compton
Global Head of the Corporate
and Investment Bank and
President of BBPLC



Alistair Currie
Global Head of Consumer
Banking and Payments



Matt Hammerstein
Chief Executive Officer,
Barclays UK



Laura Padovani
Group Chief Compliance
Officer



Tristram Roberts
Group Human Resources
Director



Taalib Shah
Group Chief Risk Officer



Stephen Shapiro
Group General Counsel and
Group Company Secretary



Sasha Wiggins
Group Head of Public Policy &
Corporate Responsibility



Directors' report: Our Governance Framework

Governance is how the Board makes decisions and provides oversight.

A Group-wide governance framework to facilitate the effective management of the Group across its diverse businesses

Board Governance

At Barclays we think of governance as how the Board makes decisions and provides oversight in order to promote Barclays' success for the long-term benefit of our shareholders having regard to the interests of our other priority stakeholder groups – our clients, customers, colleagues and the society in which we operate.

The Barclays PLC (BPLC) Board sets the purpose and strategic direction and risk appetite of the Group and is the ultimate decision-making body for matters of Group-wide strategic, financial, regulatory or reputational significance. A bespoke corporate governance framework sets out those matters reserved solely to the decision-making power of the Board.

The *Matters Reserved to the Board* specifies those decisions to be taken by the Board, including but not limited to material decisions relating to strategy, risk appetite, medium term plans, capital and liquidity plans, risk management and controls frameworks, approval of financial statements, approval of large transactions, approval of share allotments and dividends. The Board has delegated the responsibility for making and implementing operational decisions and running the Group's business on a day-to-day basis to the Group Chief Executive and his senior management team.

Individual roles on the Board and their responsibilities are set out in our *Charter of Expectations*. This includes role profiles and the behaviours and competencies required for each role on the Board, namely the Chair, Non-Executive Directors, Executive Directors and Committee Chairs. In accordance with the *Charter of Expectations*, Non-Executive Directors are responsible for providing effective oversight and scrutiny, strategic guidance and constructive challenge whilst holding the Executive Directors to account against their agreed performance objectives.

The membership of the BPLC and BBPLC Boards was partially consolidated and streamlined in 2019, leading to significantly improved coordination and efficiency and reducing complexity and unnecessary duplication.

The Board is supported in its work by its Committees, each of which has its own Committee terms of reference, which clearly set out its remit and decision-making powers. The principal Committees of the Board and their core responsibilities are set out in the 'Board Governance Framework' on page 118. This structure enables the Board to spend a significant proportion of its time focusing on the strategic direction of the Group.

The Chairs of each of the Board Committees provide a report on the work of the Committee at every Board meeting. In line with best practice, the Board Committees are comprised only of Non-Executive Directors. You can find out more about the Committees, their membership and their work during 2021 on pages 124 to 147 and 198 to 199.

We believe that an effective Board is one which delivers value for our four priority stakeholder groups – our customers and clients, colleagues, society and investors. We assess the effectiveness of our Board, its Committees and Board members annually. You can read about the 2021 effectiveness review, and progress against the 2020 review and recommendations carried forward, in the report of the Board Nominations Committee on pages 124 to 130.

Changes to our Board during 2021

In 2021, the Board welcomed the addition of two new Directors:

- Venkat, who was appointed as the Group Chief Executive and Executive Director on 1 November 2021
- Julia Wilson, who was appointed as a Non-Executive Director on 1 April 2021.

Brian Gilvary succeeded Crawford Gillies in the role of SID with effect from 1 January 2021.

Jes Staley stepped down as Group Chief Executive and Director of BPLC and BBPLC on 31 October 2021 and, as reported in our 2020 Annual Report, Sir Ian Cheshire stepped down from the Board on 5 May 2021.

You can read more about changes to Board composition during 2021, and succession planning for the Board, Board Committees and ExCo, including succession planning for the role of Group Chief Executive which led to Venkat's appointment as Jes Staley's successor and consideration of Non-Executive Director independence, in the report of the Board Nominations Committee on pages 124 to 130.

More recently, Robert Berry joined the Board as a Non-Executive Director with effect from 8 February 2022.

On 22 February 2022, Tushar Morzaria notified the Board of his intention to retire from the Board and as Group Finance Director, and the Board has agreed that this will take effect on 22 April 2022, with Anna Cross succeeding him as a member of the Board and as Group Finance Director on 23 April 2022.

Directors' report: Our Governance Framework continued

Our Board Governance Framework

Board of Barclays PLC

Responsible for the overall leadership of the Group (with direct oversight of matters relating to reputation, environment and culture)

Nominations Committee

- Reviews the composition of the Board
- Recommends the appointment of new Directors
- Considers succession plans for Board, Board Committee and ExCo positions
- Oversees the annual Board, Board Committee and Director effectiveness review

Audit Committee

- Assesses the integrity of the Group's financial statements
- Evaluates the effectiveness of the Group's internal controls
- Scrutinises the activities and performance of internal and external auditors
- Reviews and monitors the Group's whistleblowing policies

Risk Committee

- Monitors and recommends the Group's financial, operational and legal risk appetite
- Monitors the Group's financial, operational, conduct and legal risk profile
- Considers and reports on key financial and non-financial risk issues
- Oversees conduct and compliance and the leadership of the Risk and Compliance functions

Remuneration Committee

- Sets overarching principles and parameters of remuneration across the Group
- Considers and approves remuneration for the Chair, Executive Directors, other senior executives and certain Group employees
- Oversees remuneration issues

→ For more information see page 124

→ For more information see page 131

→ For more information see page 140

→ For more information see page 198

Group-wide Governance

BPLC, a premium listed company on the London Stock Exchange, is the parent company for the Group. The Group has a number of key operating entities, BBPLC, Barclays Bank UK PLC (BBUKPLC), Barclays Bank Ireland PLC (known as Barclays Europe), Barclays US LLC and Barclays Bank Delaware, each of which has its own board (comprising Executive and Non-Executive Directors) and board committees. Barclays Execution Services (known as BX) is our Group-wide service company and supports these main operating companies by providing technology, operations and functional services to businesses across the Group.

We have designed a Group-wide governance framework in order to facilitate the effective management of the Group across its diverse businesses by our Group Chief Executive and his ExCo, while preserving the constructive challenge, support and oversight of the Group's major subsidiary boards in the UK, Ireland and the US, consistent with their respective legal and regulatory responsibilities and in compliance with UK ring-fencing requirements.

The Group's corporate governance manual clearly sets out guidelines as to how the Barclays Group entities and their respective Boards and Board Committees should interact, while also providing guidance and clarity for management and Directors as to how these relationships and processes should work in practice. It is a dynamic document that continues to evolve with the changing nature of the Group.

How the Board discharged its responsibilities in 2021

Please refer to the high-level flow diagram on page 119 for details of the framework within which the Board discharges its responsibilities. You can read about the key activities of the Board during 2021 on pages 120 to 123.

For further details of how the Board considered the interests of our stakeholders as we continue to evolve our strategic priorities, please refer to the Section 172 Statement on pages 16 to 19.

Our priorities include identifying potential candidates with technology experience, continuing our previous search as detailed in our 2020 Annual Report, as well as for a finance professional with recent and relevant financial experience.

The search for potential candidates with technology experience has remained challenging. Going into 2022, the Committee has discussed broadening the search base, including in regard to the particular nature of the technology experience that might be desirable.

Independent external search firms Spencer Stuart and Egon Zehnder have supported our search for potential Board candidates during the year. Capturing the clear benefits of diversity of background and opinion is at the forefront of that search. Spencer Stuart and Egon Zehnder do not have any connection to Barclays or any of the Directors other than to assist with searches for executive and non-executive talent.

The Committee has set rigorous criteria for the roles it is seeking to fill based on the strategic priorities identified in 2021, both in terms of experience and personal qualities. The Committee continues to review the search remit and give further consideration to the desired skills and experience, in order to ensure due consideration is given to strong potential candidates that would further enhance the effectiveness of the Board. Open advertising for Board positions was not used this year.

The Committee reviewed the Non-Executive Director selection and appointment process in 2021, which was refreshed in 2019, and concluded that no material changes were required to the current process. It was agreed that, where possible, all Board members should have the opportunity to meet potential candidates, and also that searches for potential candidates should be coordinated across the Group's significant subsidiaries where appropriate.

As referenced above, Robert Berry joined the Board as a Non-Executive Director on 8 February 2022, and will become Chair of the Board Risk Committee (subject to regulatory approval) and a member of the Board Audit Committee with effect from 1 March 2022.

Robert will bring to the Board robust risk management expertise and a proven track record of risk management for a global financial institution, as he takes on the important role of Chair of the Board Risk Committee. He will also bring an international perspective having worked and lived in the United States for much of his life. The Committee and the Board are confident that he will be a positive addition to the balance, skills and experience of the Board and the Board Risk and Audit Committees.

Diversity

Both the Committee and the Board recognise and embrace the benefits of diversity – of gender, ethnicity, cognitive and personal strengths and social backgrounds – at Board, ExCo and senior management level, and consider this an essential element of maintaining a competitive advantage and effective governance, as well as mitigating the risk of 'group think'.

Further to the Committee's recommendation, the Board adopted a revised version of the Board Diversity Policy on 9 February 2021, re-affirming the existing gender diversity target (33% female) and adopting a new ethnic diversity target aligned with the Parker Review on the ethnic diversity of UK Boards (at least one Board member to be a Person of Colour). The Board Diversity Policy confirms that the Committee will consider candidates on merit against objective criteria with due regard to the benefits of diversity when identifying suitable candidates for appointment to the Board. The Board reconfirmed its commitment to these targets on 9 February 2022. You can read more about the Board's consideration of diversity and inclusion related matters on page 122.

Following changes in Board composition in 2020, the Board's gender diversity was 25% female as at 31 December 2020. With the appointment of Julia Wilson to the Board, and Sir Ian Cheshire stepping down, as at 31 December 2021 Board gender diversity was 33% female, in line with both the Board Diversity Policy and the Hampton Alexander Review target.

Ensuring diversity at Board Committee level remains a priority for the Board and the Committee. As at 31 December 2021, the gender diversity of each of the Board Committees was as follows: Board Audit Committee – 67% female; Board Remuneration Committee – 67% female; Board Risk Committee – 33% female; and Board Nominations Committee – 17% female.

Whilst the appointment of Robert Berry as a Non-Executive Director (effective 8 February 2022) took us to 31% (as at the date of this report), just below the Board's gender diversity target of 33% female, the Committee remains committed to continuing to bring the very best, diverse talent we can attract to the Board.

Group-wide, Barclays remains committed to improving the diversity of its leaders and has set a number of targets focused on creating more gender diversity in its wider workforce, including its ambition to achieve 28% female Managing Directors and Directors by the end of 2021. You can read more about gender diversity at Barclays, including data on the percentage of females at Managing Director and Director level,

on Group ExCo and within ExCo direct reports and in Barclays' wider workforce in Our people and culture section on pages 29 to 34.

As at 31 December 2021, 25% of the Board was from an ethnically diverse background, meeting the recommendations contained within the Parker Review Committee Report into the Ethnic Diversity of UK Boards and the ethnic diversity target in the Board Diversity Policy.

The Parker Review and Board Diversity Policy ethnicity targets continue to be met following the appointment of Robert Berry on 8 February 2022 (and as at the date of this report), although the percentage of Directors from an ethnically diverse background has reduced from 25% to 23%.

Alongside the Board, the Committee continues to champion the Group's Race at Work Action Plan, designed to increase the number of under-represented minority employees in our wider workforce; providing more Black and ethnically diverse colleagues with access to career and development opportunities; creating a culture of allyship; and being transparent and measuring our outcomes. Venkat, our Group Chief Executive, has made a significant contribution to Barclays' diversity agenda, and is the executive sponsor for Embrace, the global multicultural network at Barclays. As described on page 122, the Board received regular updates during the year on the Group's Race at Work ambitions and progress against its Race at Work Action Plan.

You can find more information on diversity and inclusion, including Barclays' Race at Work Action Plan and targets to increase the number of under-represented minority employees in the UK and US within our wider workforce by the end of 2025, in Our people and culture section on pages 29 to 34. You can also read more in our Diversity and Inclusion Report, which will be made available on our website.

Non-Executive Director Independence

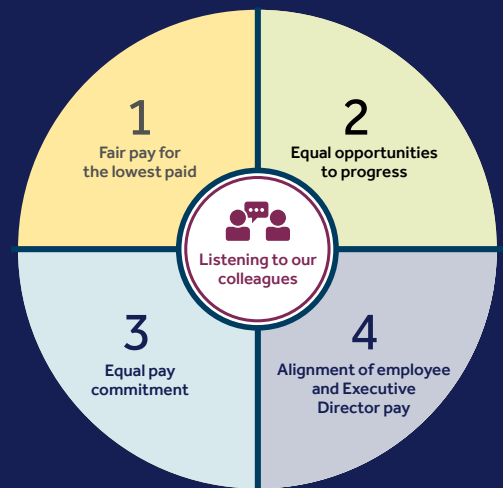
The Committee reviewed the independence of the Non-Executive Directors and, in the cases of Mike Ashley, Crawford Gillies and Diane Schueneman, all of whom have served on the Board for more than six years, and Tim Breedon who has served on the Board for more than nine years, their independence was subjected to a more rigorous review. The Committee remains satisfied that the lengths of their tenure have no impact on their respective levels of independence or the effectiveness of their contributions. The Committee and the Board consider all of the Non-Executive Directors to be independent.

Fair pay at a glance

We have developed our approach over a number of years in making sure that fairness is a key, and explicit, consideration in the way we make all our pay decisions.



Barclays PLC Fair Pay Report 2021 can be found online at home.barclays/annualreport



Our approach to fair pay helped guide our remuneration decision-making in 2021.

We have developed our approach over a number of years. Since we first published our 'Fair Pay Agenda' in 2018, we have made good progress in making sure that fairness is a key, and explicit, consideration in the way we make all our pay decisions.

This year, we published additional fair pay communications material to our employees to explain how the pay and performance approach aligns to the

Fair Pay agenda. The employee materials also include a description of the alignment between the wider workforce and Executive Directors' pay policies and practices. Colleagues can provide real-time feedback to help us identify if there is a need for additional information or explanation.

We also use our Fair Pay Report to engage with our shareholders and other external stakeholders on pay, explaining our approach to fair pay, including the alignment of the Executive Directors' and employee pay. We encourage you to read the full Fair Pay Report.

1 Fair pay for the lowest paid

Paying fairly for work done, in a simple and transparent way.

- Continued to progress our work on global living wages, reviewing all our locations around the world to ensure we pay a living wage, and increasing minimum pay in the UK and US above local living wage levels.
- Provided salary advances and supplemented medical cover to support colleagues in India through the devastating impact of the Delta variant of COVID-19.
- Simplified incentives for colleagues in US contact centres by replacing four historical plans with a single, consistent and more transparent approach.
- Enhanced medical benefits in the UK and US, and offered at a lower cost for junior colleagues in the US.

3 Equal pay commitment

Rewarding employees fairly for their contribution and making sure pay and performance decisions never take into account any protected characteristics.

- Explicit communication to managers that pay decisions must not take into account gender, age, ethnicity, disability, sexual orientation, religion, marital status, pregnancy, maternity, parental leave or any other protected characteristic.
- All grievances raised by employees, including any issues relating to pay, are investigated.

2 Equal opportunities to progress

Providing equal employment opportunities to all, so everyone can enjoy a successful career at Barclays.

- Published Race at Work Ambitions in the UK and US to increase the number of colleagues from underrepresented ethnic minorities.
- Introduced granular ethnicity pay gap reporting in the UK, separating out the differences in pay between Black, Asian and Multiracial colleagues compared to white colleagues.
- Achieved our 2021 female senior leadership (Managing Directors and Directors) target of 28%, up from 24% at the end of 2018 when the target was set.
- Published our new Gender Ambition to increase the proportion of female senior leaders to 33% by the end of 2025.

4 Alignment of employee and Executive Director pay

Linking both Executive and employee pay to sustainable business performance.

- Our pay policies are strongly aligned across the wider workforce, senior employees and Executive Directors of Barclays PLC.
- Where pay policies differ, this is aligned to differences in seniority and ability to influence business performance.
- Pay outcomes continue to be aligned with financial and non-financial performance.



Listening to our colleagues

Engaging with colleagues to understand their views on the culture of the organisation and enabling the representation of employees in remuneration decision-making.

- The Inclusion Index score measures how included our colleagues feel. For 2021 it is 79%, up from 76% in 2020.
- Launched our Wellbeing Index, to measure the wellbeing of colleagues and how it changes over time.
- Engaged with Unite the Union on a range of topics including fair pay, the UK pay deal and employee wellbeing.

Scope of consolidation

The notes included in this section present information on the Group's investments in subsidiaries, joint ventures and associates and its interests in structured entities. Detail is also given on securitisation transactions the Group has entered into and arrangements that are held off-balance sheet.

34 Principal subsidiaries

The Group applies IFRS 10 *Consolidated Financial Statements*. The consolidated financial statements combine the financial statements of the Group and all its subsidiaries. Subsidiaries are entities over which the Group has control. Under IFRS 10, this is when the Group is exposed or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an entity if facts and circumstances indicate that there have been changes to its power, its rights to variable returns or its ability to use its power to affect the amount of its returns.

Intra-group transactions and balances are eliminated on consolidation and consistent accounting policies are used throughout the Group for the purposes of the consolidation. Changes in ownership interests in subsidiaries are accounted for as equity transactions if they occur after control has been obtained and they do not result in loss of control.

The significant judgements used in applying this policy are set out below.

Accounting for investment in subsidiaries

In the individual financial statements of Barclays PLC, investments in subsidiaries are stated at cost less impairment.

Principal subsidiaries for the Group are set out below. This includes those subsidiaries that are most significant in the context of the Group's business, results or financial position.

| Company name | Principal place of business or incorporation | Nature of business | Percentage of voting rights held | Non-controlling interests - proportion of ownership interests | Non-controlling interests - proportion of voting interests |
|-------------------------------------|--|--------------------------|----------------------------------|---|--|
| | | | % | % | % |
| Barclays Bank PLC | United Kingdom | Banking, holding company | 100 | 2 | — |
| Barclays Bank UK PLC | United Kingdom | Banking, holding company | 100 | — | — |
| Barclays Bank Ireland PLC | Ireland | Banking | 100 | — | — |
| Barclays Execution Services Limited | United Kingdom | Service company | 100 | — | — |
| Barclays Capital Inc. | United States | Securities dealing | 100 | — | — |
| Barclays Capital Securities Limited | United Kingdom | Securities dealing | 100 | — | — |
| Barclays Securities Japan Limited | Japan | Securities dealing | 100 | — | — |
| Barclays US LLC | United States | Holding company | 100 | — | — |
| Barclays Bank Delaware | United States | Credit card issuer | 100 | — | — |

The country of registration or incorporation is also the principal area of operation of each of the above subsidiaries.

Ownership interests are in some cases different to voting interests due to the existence of non-voting equity interests, such as preference shares. Refer to Note 30 for more information.

Determining whether the Group has control of an entity is generally straightforward based on ownership of the majority of the voting capital. However, in certain instances, this determination will involve judgement, particularly in the case of structured entities where voting rights are often not the determining factor in decisions over the relevant activities. This judgement will involve assessing the purpose and design of the entity. It will also often be necessary to consider whether the Group, or another involved party with power over the relevant activities, is acting as a principal in its own right or as an agent on behalf of others.

There is also often considerable judgement involved in the ongoing assessment of control over structured entities. In this regard, where market conditions have deteriorated such that the other investors' exposures to the structure's variable returns have been substantively eliminated, the Group may conclude that the managers of the structured entity are acting as its agent and therefore will consolidate the structured entity.

An interest in equity voting rights exceeding 50% would typically indicate that the Group has control of an entity. However, the entity set out below is excluded from consolidation because the Group does not have exposure to its variable returns.

| Company name | Country of registration or incorporation | Percentage of voting rights held | Equity shareholders' funds | Retained profit for the year |
|------------------|--|----------------------------------|----------------------------|------------------------------|
| | | % | £m | £m |
| Palomino Limited | Cayman Islands | 100 | — | — |

This entity is managed by an external counterparty and consequently is not controlled by the Group. Interests relating to this entity are included in Note 35.