



# Sustainable Finance Framework

Version 4.2 / February 2025



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# 1. Approach to tracking performance against sustainable finance targets

Barclays is providing the green and sustainable finance required to help the clients and economies it serves to transform to a more sustainable model. As a large global financial intermediary, Barclays has an important role in helping channel investment, including our own capital, into new green technologies and lower carbon infrastructure projects. We also have a contribution to make in the advice, products and financing support that we offer our customers and clients.

Our sustainable finance strategy represents a commitment to using Barclays' expertise, scale, and reach to support clients through the energy transition and foster social and sustainable development globally.

## 1.1 Purpose of the Sustainable Finance Framework

The Barclays Sustainable Finance Framework (the "Framework") sets out our methodology for classifying financing as sustainable for the purpose of tracking and disclosing our performance against our sustainable finance targets. We are committed to being transparent about our definitions and approach to reporting against our sustainable finance targets.

Barclays has also published a Transition Finance Framework. This sets out our methodology for classifying financing as "transition" for the purpose of tracking and disclosing our performance against our target to facilitate \$1 trillion of Sustainable and Transition Financing between 2023 and end of 2030. The Transition Finance Framework is complementary to this Framework in relation to the \$1 trillion of Sustainable and Transition Financing target.

## 1.2 General principles

**Scope:** This Framework applies to all Barclays businesses globally.

**Application:** This Framework is designed to enable the classification and tracking of performance against our Targets as set out in the table below.

In this Framework, the term "sustainable finance" includes green, social, environmental, sustainability and sustainability-linked finance and includes both financing with a specific purpose and general purpose financing.

This Framework also serves to guide the development of green and social themed products which reference specific dedicated green or social purpose financing. Specific product propositions may then reference this Framework.

**Classification practices:** In developing this Framework, Barclays has drawn on industry guidelines and principles, including the following:

- Loan Market Association (LMA)/Asia Pacific Loan Market Association (APLMA)/Loan Syndications and Trading Association (LSTA)
  - Green Loan Principles (GLP) 2023
  - Green Loan Principles Guidance (GLPG) 2023
  - Social Loan Principles (SLP) 2023
  - Social Loan Principles Guidance (SLPG) 2023
  - Sustainability Linked Loan Principles (SLLP) 2023
  - Sustainability Linked Loan Principles Guidance (SLLPG) 2023
- Climate Bonds Initiative (CBI) – Climate Bonds Standard (CBS) V4.2
- International Capital Markets Association (ICMA)
  - Green Bond Principles (GBP) 2021
  - Social Bond Principles (SBP) 2023
  - Sustainability Bond Guidelines (SBG) 2021
  - Sustainability-Linked Bond Principles (SLBP) 2024
  - Sustainability-Linked Bond Principles Guidelines (SLBPG) 2024
- EU Taxonomy for Sustainable Activities<sup>1</sup>

**Eligible types of financing:** This Framework sets out the types of financing which are eligible as sustainable financing for tracking and disclosing our performance against our Targets, as defined below, which include:

- **Dedicated purpose** financing where the use of proceeds satisfies either the green or social eligibility criteria (or in the case of sustainability financing, a combination of green and social criteria)
- **General purpose** financing where the business mix of the entity satisfies either the green or social eligibility criteria based on the thresholds set out in Section 1.3
- **Sustainability-linked financing** which meets the criteria set out in Section 1.3. Note that sustainability-linked financing is not dedicated purpose financing and is not required to satisfy either the green or social eligibility criteria

Barclays may set a Target by reference to all or only some of these types of eligible financing and eligibility criteria. Eligibility for our Target setting will be determined at a point in time and from the date of commencement of eligible financing.

In addition to the above requirements, financing will not be eligible as sustainable financing for the purpose of our Targets if it is excluded in Barclays' Sustainability Statements and Policy Positions. See Section 1.4 for details.

**Review process:** We will review the Framework periodically, including to align it with evolving market practices and guidelines. Updates to this Framework will be effective from publication, unless otherwise specified, and are not applied retrospectively to prior full year reported sustainable finance performance against our Targets. In this latest version of the Framework we have added new financing products and have enhanced nature-related eligibility criteria.

<sup>1</sup> The requirements related to "Do Not Significant Harm (DNSH) and Minimum Safeguards (MS) are not applied in this context  
Version 4.2

**Product scope:** The Framework covers a range of financing activities including debt and equity capital markets, corporate lending, trade finance and consumer lending. A non-exhaustive list of eligible products as at the date of publication of this Framework are set out in Section 4. Further products may be developed and included as specified in Section 4 and will be effective for purposes of this Framework from the date of their approval.

**Progress reporting:** Update on progress against Targets in the Annual Report.

**Assurance:** Internal review and external assurance on sustainable finance metrics<sup>2</sup>.

**Framework external review:** Sustainalytics – see below.

**Targets:** The table below sets out Barclays' sustainable finance targets (Targets) and relates to V3.0 of the Framework.

Target	Date announced	Amount	Timeframe	Eligible types of financing
Social, environmental and sustainability-linked financing	February 2019	£150bn	1 January 2018 to 31 December 2025	All types of financing and (as applicable) all eligibility criteria
Green financing	March 2020	£100bn	1 January 2018 to 31 December 2030	All types of financing provided the green eligibility criteria is satisfied <sup>3</sup>

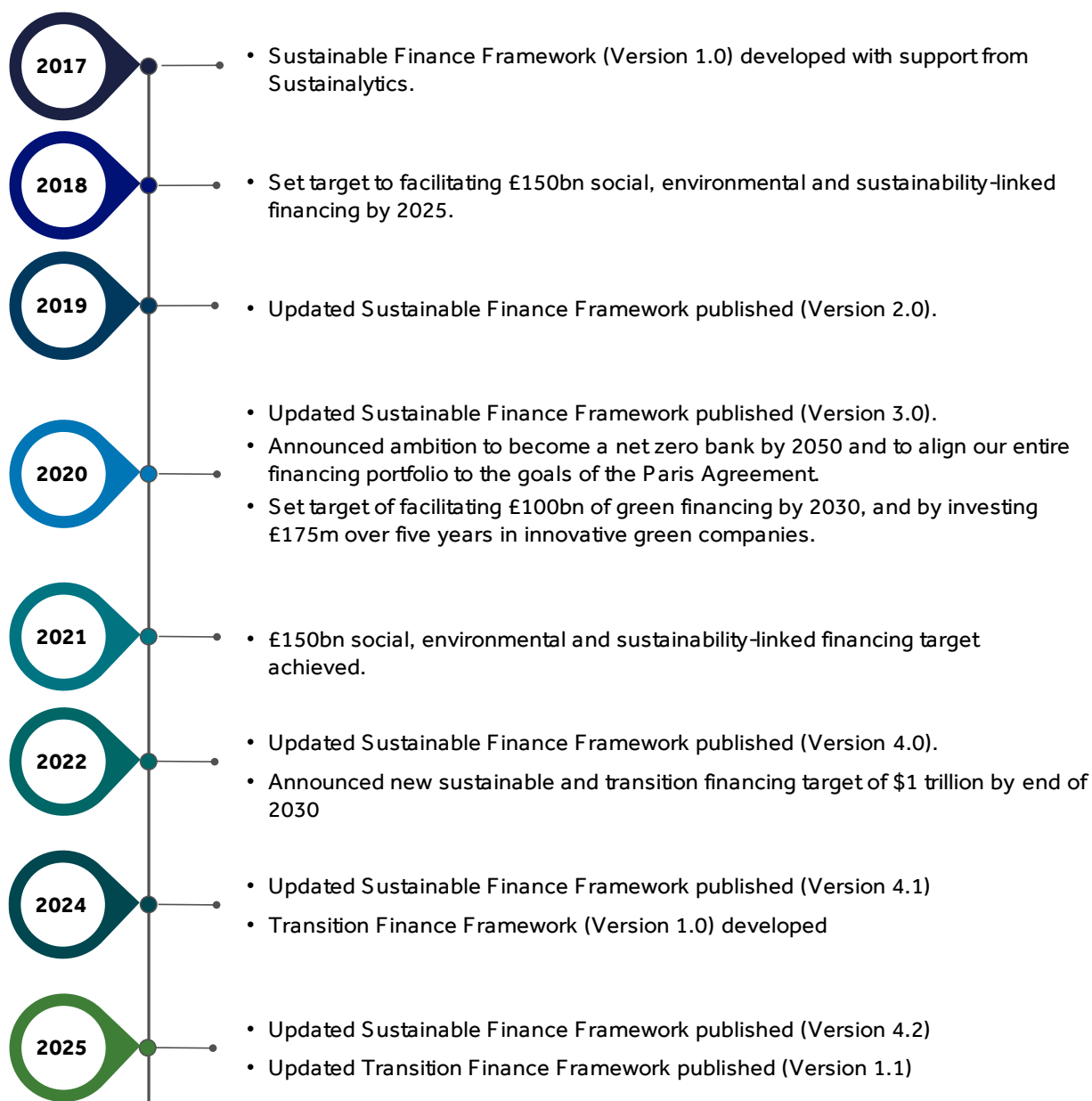
**Targets:** The table below sets out Barclays' sustainable finance targets (Targets) and relates to V4.2 of the Framework.

Target	Date announced	Amount	Timeframe	Eligible types of financing
Sustainable and transition financing facilitated	December 2022	\$1trn	1 January 2023 to 31 December 2030	All types of financing and (as applicable) all eligibility criteria.  This Framework covers reporting of instruments in relation to the sustainable financing aspect of our Target. Reporting criteria for transition financing is covered in the Transition Finance Framework

<sup>2</sup> Further information available at [home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/](https://home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/)

<sup>3</sup> See pages 6 to 8 for our approach to calculating green financing allocation.





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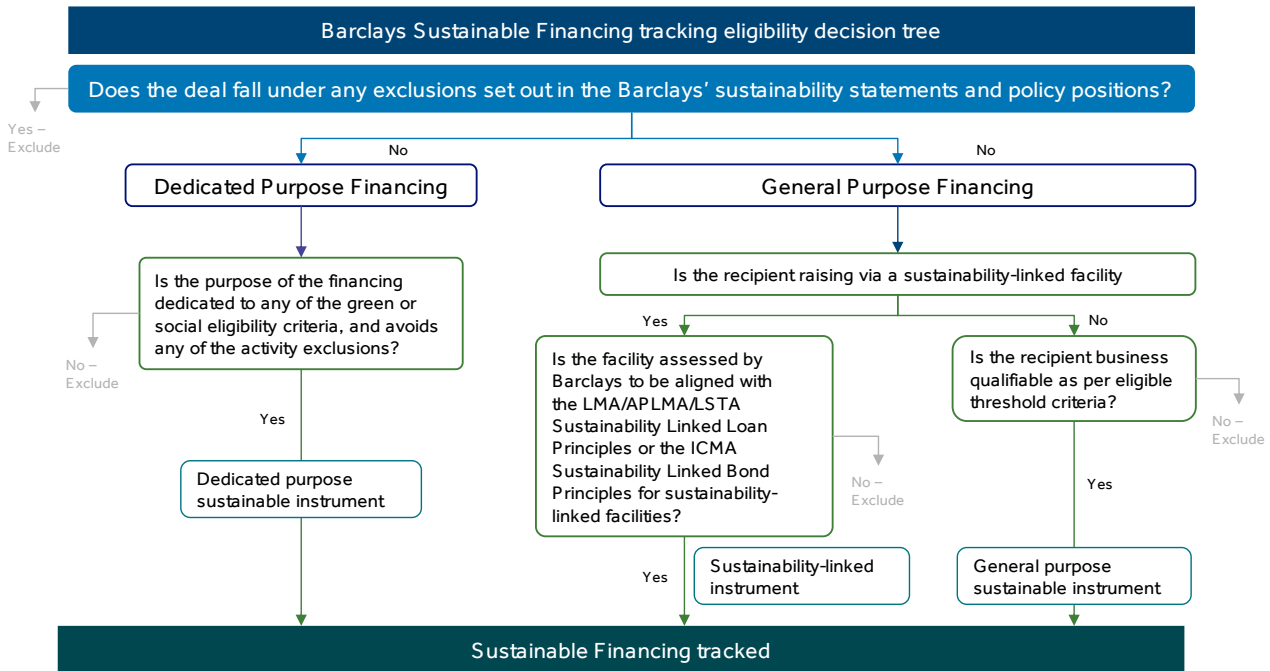
This Framework was developed by Barclays and was reviewed and updated with support from Sustainalytics to ensure it reflects current market practice.

Sustainalytics is a Morningstar company, and a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For over 25 years, Sustainalytics has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in their policies, practices and capital projects.

## 1.3 Eligibility criteria

### Decision tree for identifying eligible financing activity

The decision tree below sets out the process for identifying eligible sustainable financing transactions, for the purpose of Barclays' Targets, across the organisation. The first step is to identify the use of proceeds of the financing transaction and then to include or exclude transactions using the relevant dedicated or general corporate purpose pathway.



### Thresholds for inclusion under the general and dedicated purpose pathways

#### Dedicated purpose financing

Dedicated purpose financing will be eligible as sustainable financing, for the purpose of our Targets, if it is identified as being for a dedicated purpose that (i) falls under the green or social eligibility criteria; or (ii) that falls under a combination of at least one green and one social eligibility criteria.<sup>4</sup>

- If 100% of the funds are directed towards eligible activities, the entire transaction is counted towards our targets
- If less than 100% of the funds are directed towards eligible activities, a pro-rated part of this transaction is counted towards our targets in proportion to the share of funds that are directed towards eligible activities. For example, if 70% of the funds are directed towards eligible activities, 70% would qualify towards our targets and 30% would not qualify. The pro-rata calculation is based on an equally weighted allocation to each of the use of proceeds categories as per the issuer framework.

Bonds or loans identified as being for a dedicated purpose will qualify for inclusion if they meet the following criteria:

<sup>4</sup> For the purposes of reporting against our targets, labelled green, social and sustainability bonds/loans are reviewed by a dedicated reporting team within Barclays' Global Finance function on a case by case basis against the relevant industry principles.

- Labelled bond/loan is aligned with the ICMA Green/Social Bond Principles, the Sustainability Bond Guidelines or the LMA Green/Social Loan Principles (as applicable); OR in relation to bonds, the bond has been certified under the Climate Bonds Initiative (CBI) Climate Bonds Standard; OR
- Unlabelled loan with a dedicated use of proceeds AND
  - 1) The bond/loan dedicated purpose falls under the green or social eligibility criteria in Sections 2 or 3 (as applicable) OR
  - 2) Is otherwise eligible as satisfying the green or social criteria on the basis that the dedicated purpose:
    - a. Is eligible as green or social under a recognised taxonomy or framework or in relation to a recognised supranational agency its development mandate; AND
    - b. Is assessed by Barclays to be credible; AND
    - c. Does not fall within the activity exclusions set out in Sections 2 and 3 of this Framework

## General purpose financing

Financing will also be eligible as sustainable financing, for the purpose of our Targets, under this Framework if Barclays determines that the core business of the recipient falls under the eligible green and social criteria.

If the recipient of financing at the time of the financing (whether a new financing or a refinancing) meets one of the following criteria, 100% of the financing is eligible for inclusion:

- 1) **Derives greater than 90% of its revenue from 'eligible activities/assets'** listed under the green AND/OR social criteria in Sections 2 or 3 (as applicable); OR
- 2) **For power generators only:** Derives greater than 90% of its energy generation mix from qualified renewable energy sources; OR
- 3) **For pre-revenue entities only:** Dedicates greater than 90% of its Capex/R&D expenditure to 'eligible activities' listed under the green OR social criteria in Sections 2 or 3 (as applicable); OR
- 4) **Non-profit healthcare providers, public education systems and affordable housing providers** can qualify based on their registration as public school/university, charity or non-profit institute<sup>5 6</sup>
- 5) **Development Banks or Development Finance Institutions:** dedicates greater than 90% of their funding disbursements to eligible activities listed under the green AND/OR social criteria in Sections 2 or 3 (as applicable)

For example, financing for an organisation which derives 95% of its revenue from eligible green activities would be qualified as 100% green financing. By contrast, financing for an organisation which derives 89% of its revenue from eligible green activities would fall under the scope of the pro-rata approach below.

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<sup>5</sup> Example- In the US, 501(c)(3) status should be applicable. This is the portion of the US Internal Revenue Code that allows for federal tax exemption of non-profit organizations, specifically those that are considered public charities, private foundations or private operating foundations.

<https://www.501c3.org/what-is-a-501c3/>

<sup>6</sup> Sustainalytics considers the financing of healthcare providers, public education systems and affordable housing where access and affordability are guaranteed, either through providing services for free or through sufficiently subsidized access for a defined target population, to be a credible social activity.



## Pro-rata approach

Barclays recognises that the funding we provide to our clients to enable green and social activities extends beyond financing in a green or social format (e.g. green/social bonds/loans, etc.) and financing to pure play entities (where the business mix already meets the >90% threshold set out above). In some instances, we provide funding to entities with substantial, and often growing, eligible green and social activities, but that are below the 90% threshold. In these instances, we treat a pro-rated part of this funding as eligible for inclusion in proportion to the share of eligible activities within the recipient organisation's business mix<sup>7</sup>.

In order for financing to be treated as eligible for inclusion under this approach, recipient entities must meet one of criteria 1-3 at the time of the financing (whether a new financing or a refinancing):

- 1) Derive between 50% and 90% of its revenue from 'eligible activities' listed under the green AND/OR social criteria in Sections 2 or 3 (as applicable); OR
- 2) For power generators only: Derive between 50% and 90% of its energy generation mix from qualified renewable energy sources; OR
- 3) For pre-revenue entities only: Dedicates between 50% and 90% of its Capex/R&D expenditure to 'eligible activities' listed under the green AND/OR social criteria in Sections 2 or 3 (as applicable)

For example, financing for an organisation which derives 45% of its business mix from eligible green activities and 45% from eligible social activities, would be qualified as 45% green financing and 45% social financing as the combined business mix exceeds the 50% minimum pro-rata threshold but neither the eligible green activities nor the eligible social activities exceed the 90% described above. By contrast, financing for an organisation which derives 45% of its business mix from either eligible green or eligible social activities and the remaining 55% from non-eligible activities would not qualify at all because the combined business mix does not exceed the 50% minimum pro-rata threshold.

Note: For the business mix or activities described above, we rely on data reported in publicly available annual reports and accounts for determining revenue, power generation mix, Capex/R&D expenditure or funding disbursements. Where sufficiently granular information from these sources about eligible business mix is not available, a financing will not qualify under this category.

## Sustainability-linked financing<sup>8</sup>

Sustainability-linked financing instruments are bonds, loan instruments or contingent facilities (such as bonding lines, guarantee lines or letters of credit) which incentivise the borrower's achievement of ambitious, pre-determined sustainability performance targets (SPTs). Unlike green, social or sustainability financing instruments, proceeds of sustainability-linked instruments need not be attributed to green, social or sustainability objectives or projects. These facilities can be structured in different ways; in most cases, an inability to achieve SPTs will incur a premium to the margin.

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<sup>7</sup> Sustainability has communicated to Barclays that with respect to general purpose financing it is best practice to limit lending to pure play entities defined as those that derive more than 90% of revenues from eligible activities.

<sup>8</sup> Sustainability notes that given the range of variables and benchmarking involved in sustainability-linked issuances (including the sectoral considerations, strength of key performance indicator(s) and sustainability performance target(s), historical data, peer performance, etc.), the applicability, strength and ambitiousness of these variables are usually evaluated on a case-by-case basis. In this context, Sustainability has not reviewed the criteria defined for financing sustainability-linked instruments in the Framework.

SPTs which are included in the pricing ratchet (i.e. as a trigger for margin or coupon increasing or decreasing, as applicable) can be for a wide variety of environmental, social and governance targets. Sustainability-linked financing is eligible for inclusion as sustainable finance, for the purpose of our Targets, under this Framework if the sustainability-linked facility is assessed by Barclays to be aligned with the LMA/APLMA/LSTA Sustainability Linked Loan Principles or the ICMA Sustainability Linked Bond Principles. We have continued to enhance our approach to sustainability-linked financing. As part of the assessment process, we review all components of the relevant principles and, where possible, review additional considerations for issuers in high-emitting sectors. This includes review of appropriately ambitious GHG or GHG-related KPI(s) / SPT(s), comparison with sector and peers, target momentum, consideration of transition plan (where available), sustainability strategy, and/or a second party opinion. Additional consideration may include alignment to a globally recognized Paris pathway or nationally determined contribution (NDC) roadmap or a jurisdictional sustainable or transition taxonomy.

For transparency, sustainability-linked financing is reported as a separate category to dedicated green and social purpose financing.

## **1.4 Overview of Barclays' Sustainability Statements and Policy Positions**

Barclays applies broader restrictions and/or enhanced due diligence requirements for specific sensitive sectors as set out in our Statements and Policy Positions, including upstream oil and gas (including certain unconventional oil and gas), thermal coal, defence, forestry and agricultural commodities. These Statements and Policy positions, apply to all of Barclays' financing and not just financing assessed for eligibility under this Framework and are available on our website<sup>9</sup>.

These Statements and Policy positions may from time to time refer to this Framework (for example to include additional eligibility criteria for certain sensitive sector financings under this Framework) and where this is the case, the provisions of this Framework should be read together with the provisions in the Statements and Policy positions.

## **1.5 Effective date**

The updates made in this Version 4.2 will apply from 1 January 2025.



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<sup>9</sup> [home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/](https://home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/)

## 2. Green eligibility criteria

This section sets out eligible green activities including any specific exclusions applicable to a particular activity which would mean it is not eligible as a green activity. It also sets out the applicable Sustainable Development Goals (SDGs) for each sub-theme on a best-efforts basis, focusing on the primary SDG contribution from each activity.

### Energy efficiency

Sub-themes	Eligible activities	Activity exclusions
<b>Commercial and residential buildings</b>   	<p><b>Building level</b></p> <ul style="list-style-type: none"> <li>Development<sup>10</sup> and acquisition of energy efficient buildings with an Energy Performance Certificate (EPC) rating of A or B<sup>11</sup> or Environmental Impact Rating (EIR) of A or B</li> <li>Development, acquisition, retrofit and/or refurbishment of new or existing buildings achieving a rating of LEED Gold or above, BREEAM Excellent or above<sup>12</sup>, or other equivalent internationally recognised green building certification schemes<sup>13</sup>, complying with a recognised threshold set by the Climate Bond Initiative<sup>14</sup>, or otherwise evidenced to be performing in the top 15% of buildings in the relevant market</li> <li>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</li> </ul> <p><b>System level<sup>15</sup></b></p> <ul style="list-style-type: none"> <li><b>Energy efficiency measures:</b> including 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, triple and secondary glazing; insulated render; external wall insulation; energy efficient external doors; triple panel radiators (where appropriate and needed to make up efficiency shortfall to allow properties to be heat pump-ready); in-building works to allow for connection to district heating if in a relevant zone</li> </ul>	<ul style="list-style-type: none"> <li>Buildings designed for the purpose of extraction, storage, transportation or manufacture of fossil fuels</li> <li>Energy efficiency measures intended for processes that are inherently carbon-intensive, such as production processes within heavy industries</li> <li>Improvements in appliances and equipment primarily using fossil fuel so as to avoid lock-in of fossil fuel consumption. Activities which result in fuel switching are eligible</li> <li>Cogeneration systems applied to the fossil fuel industry</li> <li>Cogeneration plants, CHP units and boilers powered by coal, oil or natural gas</li> <li>Systems and measures to provide water for fossil fuel operations, fracking, and mining</li> </ul>

<sup>10</sup> For new buildings under construction, a Predicted Energy Assessment (PEA) is sufficient evidence to classify the building under this Framework.

<sup>11</sup> Sustainability considers buildings that receive an EPC A or otherwise within the top 15% energy-performing in the relevant area based on emissions intensity performance or primary energy demand (PED) as a credible green expenditure and notes that an EPC rating of B may not guarantee that buildings are among the top 15% energy-performing buildings in all geographies.

<sup>12</sup> For building projects where the implementation of green practices has not reached the desired level because of barriers stemming from country-related factors as well as factors related to design and technology, Barclays may allow one level below the levels specified above (e.g., BREEAM Very Good).






<sup>13</sup> Sustainability considers it good practice to specify all eligible schemes and certifications.

<sup>14</sup> <https://www.climatebonds.net/standard/buildings>




<sup>15</sup> Adapted from the Green Finance Institute - Green Home Retrofit Finance Principles (GHRFP). <http://www.greenfinanceinstitute.co.uk/ghrfp/>

Sub-themes	Eligible activities	Activity exclusions
	<p>(heat interface units, pipes, valves, controls); use of low-embodied carbon insulation materials like hemp or wood fibre, if compliant with PAS 2080 standards; building automation measures such as occupancy sensors, daylight and other sensors such as overall Building Energy Management Systems (BEMS) and energy management software</p> <ul style="list-style-type: none"> <li>• <b>Heating measures:</b> including electric air source heat pumps; electric ground source heat pumps; micro combined heat and power (micro-CHP)<sup>16</sup>; electric boilers/heaters; heating controls; replacement of old pumps with efficient electric circulating pumps; installation and replacement of heating, ventilation and air conditioning (HVAC) and domestic hot water systems with more efficient systems</li> <li>• <b>Retrofitting measures:</b> including retrofitting work such as solid wall insulation, solar panel, loft insulation, cavity wall insulation, window insulation, floor insulation, where the post retrofitting leads to improvement in the end-user energy efficiency</li> <li>• <b>Renewable energy generation:</b> including solar hot water; solar photovoltaic; batteries and rainfall capture</li> <li>• <b>Resilience measures:</b> 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 and measures to enhance resistance to heatwaves such as external shutters and external insulation</li> <li>• <b>Water efficiency measures</b> including indoor water-efficient fixture and fittings and outdoor water-efficient landscaping</li> </ul>	<ul style="list-style-type: none"> <li>• New construction and existing road infrastructure retrofits, including roads, road bridges and parking facilities</li> </ul>
	<p><b>Service level</b></p>	
	<ul style="list-style-type: none"> <li>• Purchase and installation of energy efficient equipment and technology to increase the operational energy efficiency. Examples could include LEDs or smart lighting solutions or smart meters</li> <li>• Heat network readiness works (heat interface units, pipes, valves, controls)</li> <li>• Collaboration financing for connecting to a wider district heating schemes based on renewable sources as defined in this Framework. Examples could include services to facilitate building-level connections where heat networks are upgraded/expanded</li> <li>• Provision of infrastructure for electric vehicles. Examples could include electric charging stations (must be domestic chargers and not 'destination' charge)</li> </ul>	

<sup>16</sup> Micro-CHPs are limited to those powered by CSP/solar thermal or biomass waste, or geothermal energy/bioenergy with emissions below 100 gCO<sub>2</sub>e/kWh.

Sub-themes	Eligible activities	Activity exclusions
<p><b>Public services</b></p>  	<ul style="list-style-type: none"> <li>• Installation of energy efficient equipment and technology to increase the operational energy efficiency of utilities and other public services. Examples could include LEDs or smart lighting solutions, smart meters and peak demand management technology</li> <li>• Improvement of heat efficiency of district heating or cooling generation and distribution networks. Examples include the rehabilitation of electric powered district heating systems, heat-loss reduction and/or increased recovery of wasted heat, construction and maintenance of distribution network primarily (&gt; 50%) powered by renewables, waste heat or both. For projects involving heat and cooling generation (utility) and transmission infrastructure directly connected to a power generation plant, 100% of generation will be from renewables or industrial waste heat</li> <li>• Retrofit of renewable energy power plants that meets the criteria under the Renewable energy category</li> </ul>	<ul style="list-style-type: none"> <li>• Fossil fuel-based power plants (coal, oil, natural gas)</li> <li>• Projects with waste heat from fossil fuel production and operations</li> <li>• Measures applied to production processes that rely on fossil-fuel</li> <li>• Measures applied to production processes in heavy industries, such as steel, cement, aluminium</li> </ul>
<p><b>Transmission and distribution systems</b></p> 	<ul style="list-style-type: none"> <li>• Development, manufacture, installation and maintenance of technologies aimed at enabling efficient transmission and distribution. Examples of technologies include smart grid components, smart meters, monitoring and control automation devices and communications and sensor technologies such as Wide Area Monitoring System</li> </ul>	<ul style="list-style-type: none"> <li>• Energy efficiency improvements to transmissions lines directly connected or dedicated to fossil fuel power</li> </ul>
<p><b>Industrial processes and supply chains</b></p>  	<ul style="list-style-type: none"> <li>• Upgrades and improvements to industrial and manufacturing processes that are proven to increase energy efficiency of industrial processes</li> <li>• Manufacture and provision of technologies, equipment and software specifically designed to enable improvement in energy efficiency such as demand management technologies</li> <li>• Industrial/utility energy efficiency improvements involving changes in processes, reduction of heat losses and/or increased waste heat recovery. This includes the installation of cogeneration plants, powered by renewables<sup>17</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Projects to improve the energy efficiency of fossil fuel production and/or distribution</li> <li>• Projects from waste heat from fossil fuel production/operation</li> <li>• Industrial processes which are inherently carbon intensive such as steel, aluminium and cement production or primarily driven by fossil fuels</li> <li>• Cogeneration plants powered by coal, oil or natural gas</li> </ul>



<sup>17</sup> Where renewables are as defined by this Framework

Sub-themes	Eligible activities	Activity exclusions
<p><b>Energy efficiency technologies</b></p>  	<ul style="list-style-type: none"> <li>Development, manufacture and/or installation of energy efficiency technologies and products such as efficient appliances,<sup>18</sup> LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>Technologies that increase the energy efficiency of fossil fuel production and/or distribution or lock-in the use of fossil fuel-based technologies and products</li> <li>Equipment designed and applied to production processes in heavy industries, such as steel, cement, aluminium</li> </ul>
<p><b>Information and Communications Technology (ICT)</b></p> 	<ul style="list-style-type: none"> <li>Design, development, construction, acquisition and operation of energy-efficient data centres with power usage effectiveness &lt; 1.5</li> </ul>	

<sup>18</sup> Sustainability considers the financing of technologies and equipment that are designed to enable energy efficiency as credible green expenditures.



## Renewable energy

Sub-themes	Eligible activities	Activity exclusions
<b>Electricity generation</b>  	<p>The generation of electricity and its dedicated supporting infrastructure for:</p> <ul style="list-style-type: none"> <li>• Wind power</li> <li>• Solar photovoltaic (PV)</li> <li>• Geothermal power with a direct emissions threshold of &lt;100 grams of CO<sub>2</sub>/kWh</li> <li>• Biomass or biogas power with life cycle GHG emission intensity below 100gCO<sub>2</sub>e/kWh<sup>19 20 21</sup></li> <li>• Marine renewables, including tidal and ocean power facilities</li> <li>• Hydropower:<sup>22</sup> <ul style="list-style-type: none"> <li>– Run-of-river hydropower without artificial reservoir or low storage capacity</li> <li>– For hydropower facilities that became operational before the end of 2019: Lifecycle emissions of the project and the emissions from decaying organic matter are &lt;100gCO<sub>2</sub>/kWh or the power density of the dam is &gt;5 W/m<sup>2</sup></li> <li>– For new hydropower facilities that became operational after the end of 2019: lifecycle emissions of the project and the emissions from decaying organic matter are &lt;50gCO<sub>2</sub>/kWh or power density of the dam is &gt;10W/m<sup>2</sup></li> </ul> </li> <li>• The construction and operation of a facility used for cogeneration of heat/cooling and power from renewables<sup>23</sup></li> <li>• Facilitation of long-term and project-specific renewable energy procurement including physical power purchase agreements (PPAs), virtual power purchase agreements (VPPAs) and renewable energy certificates (RECs)<sup>24</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Application of renewable energy technology in processes from the fossil fuel industry</li> <li>• Marine renewable projects with fossil fuel backup (not limited to power monitoring, operating and maintenance equipment, as well as resilience or protection measures/restart capabilities)</li> <li>• Bioenergy production that competes with food production or causes deforestation or land conversion</li> <li>• Biomass or biogas from non-certified crops for sustainable sourcing</li> <li>• Biomass or biogas feedstock such as animal fats, oil and other animal processing by-products including animal manure from industrial-scale livestock operations</li> <li>• Coal, oil or natural gas fired co-generation plants</li> </ul>

<sup>19</sup> 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.

<sup>20</sup> For SMEs, compliance with the lifecycle emissions intensity threshold is not mandatory. However, financing will be limited to projects that involve sustainable sourcing of feedstock certified by recognised standards, such as RSB, ISCC Plus, RTRS, Bonsucro, FSC, or PEFC.

<sup>21</sup> Sustainalytics notes that market practice is to limit financing to projects with lifecycle GHG emission intensity below 100gCO<sub>2</sub>e/kWh. However, since sustainable sourcing will be a mandatory criterion for all financed projects, Sustainalytics notes that these projects will inherently maintain a lower lifecycle emissions intensity.

<sup>22</sup> 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.

<sup>23</sup> Where renewables are as defined by this Framework.




<sup>24</sup> Where renewables are as defined by this Framework.

Sub-themes	Eligible activities	Activity exclusions
<b>Transmission and distribution of electricity</b>	<ul style="list-style-type: none"> <li>• Improvement of existing transmission systems (or other infrastructure) dedicated to connecting renewables to the grid or to facilitate the integration of at least 90% electricity from renewable sources into the grid               <ul style="list-style-type: none"> <li>– If the grid carries less than 90% renewable energy, but is on a decarbonisation trajectory in line with the EU Taxonomy,<sup>25</sup> then the full financing is considered eligible</li> <li>– If the grid carries less than 90% renewables, but the percentage of renewables is expected to increase, a pro-rata approach will be adopted for allocation</li> </ul> </li> <li>• Development of new transmission systems dedicated to connecting renewables to the grid or facilitate integration of at least 90% renewable energy sources into the grid</li> <li>• Distributed assets such as circuit breakers, voltage regulators intended to reduce the curtailment of renewable energy to the grid</li> <li>• Installation of equipment and components to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources</li> </ul>	<ul style="list-style-type: none"> <li>• Practices need to ensure that the best technology is used to avoid/minimise GHG emission</li> <li>• Transmissions lines directly connected or dedicated to fossil fuel power</li> </ul>
<b>Energy storage</b>	<ul style="list-style-type: none"> <li>• Construction and operation of facilities and dedicated supporting infrastructure that store electricity and return it at a later time in the form of electricity               <ul style="list-style-type: none"> <li>– Wholly dedicated storage systems connected to renewables as defined under "Electricity generation". Examples could include mechanical energy storage systems (pumped hydro, flywheels, compressed air energy storage (CAES), synchronous condensers)</li> <li>– Standalone battery energy storage systems (BESS)<sup>26</sup></li> <li>– Thermal energy storage systems (molten salt storage, including Aquifer Thermal Energy Storage (ATES))</li> <li>– Electrochemical energy storage systems (green hydrogen, green ammonia, fuel cells, supercapacitors, ultracapacitors)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Power-to-gas projects where carbon dioxide (CO<sub>2</sub>) is sourced from fossil fuel operations</li> </ul>




<sup>25</sup> Please refer to the technical screening criteria for climate mitigation (a), (b) and (c) under activity "4.9. Transmission and distribution of electricity" of the EU Taxonomy Delegated Act 2021: [https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)

<sup>26</sup> Sustainability recognizes the critical need to expand utility-scale storage systems in order to enable the expansion of renewable energy, while also noting that the environmental benefit of storage systems depends on the carbon intensity of the grid to which they are connected, and that deploying such assets to carbon-intensive grids or associated systems may result in increased emissions. Sustainability encourages Barclays to prioritize installation of storage systems on grids that follow a credible decarbonization pathway and to report on the positive impact of such installation, where feasible. Sustainability considers a transmission and distribution grid to be aligned with a credible decarbonization pathway if it meets either of the following criteria: i) the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems; ii) more than 67% of newly enabled generation installed capacity in the system is below the emissions threshold of 100 gCO<sub>2</sub>e/kWh, measured on a life-cycle basis in accordance with electricity generation criteria, over a rolling five-year period or; iii) the average system grid emissions factor is below the threshold of 100 gCO<sub>2</sub>e/kWh, over a rolling five-year period.

Sub-themes	Eligible activities	Activity exclusions
<b>Renewable energy technologies</b>  	<ul style="list-style-type: none"> <li>Development, manufacture<sup>27</sup> and/or installation of renewable energy technologies, including equipment and components for renewable energy generation. Examples could include wind turbines, solar panels, technology and equipment for the development of eligible hydro projects as defined above</li> <li>Green hydrogen or green hydrogen-based synthetic fuels, including equipment and components (e.g., manufacture of electrolysers and membranes for electrolysers) for the production of green hydrogen where production is via electrolysis powered by renewable energy, where renewable energy is as defined by this Framework</li> <li>Ammonia from green hydrogen</li> </ul>	<ul style="list-style-type: none"> <li>Power-to-gas projects where carbon dioxide (CO<sub>2</sub>) is sourced from fossil fuel operations</li> </ul>
<b>Heat production and thermal energy</b> 	<ul style="list-style-type: none"> <li>Concentrated solar heat &amp; power generation (CSP), and other solar thermals where large majority of the electricity generated from the facility is derived from solar energy sources</li> <li>Development<sup>28</sup> and/or installation of electric heat pumps or absorption heat pumps driven by solar-heated water or geothermal-heated water</li> </ul>	<ul style="list-style-type: none"> <li>Application of technology in the fossil fuel industry</li> </ul>




## Sustainable transport

Sub-themes	Eligible activities	Activity exclusions
<b>Zero-emissions passenger transportation</b> 	<ul style="list-style-type: none"> <li>Vehicle, aircraft, rail or vessel fleet upgrades, which include replacement of engines with zero-emission technologies including electric, fuel cell or green hydrogen technologies<sup>29</sup></li> <li>Acquisition/manufacture of new or pre-owned vehicles, locomotives and vessels which are zero-direct emissions</li> <li>Manufacture of lithium batteries dedicated for electric vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency improvements involving conventional fossil fuel combustion engines</li> <li>Military or combat aviation and aircrafts</li> </ul>

<sup>27</sup> Such manufacturing facilities will be dedicated to manufacturing components for renewables, where renewables is as defined by this Framework.

<sup>28</sup> For development or manufacturing of heat pumps, Sustainalytics notes that the market practice is to limit financing to heat pumps that use refrigerants that have a lower global warming potential (GWP) coupled with robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation/recycling or destruction of refrigerants at end of life.

<sup>29</sup> Green hydrogen where production is via electrolysis powered by renewable energy, where renewable energy is as defined by this Framework.







Sub-themes	Eligible activities	Activity exclusions
<b>Urban transportation systems and infrastructure</b>  	<ul style="list-style-type: none"> <li>• Development and operation of low-carbon<sup>30</sup> public or mass transportation systems for land and sea. <sup>31</sup> This may include associated infrastructure that supports or enables eligible transportation assets</li> <li>• Development of infrastructure for non-motorised transport (bicycles and pedestrian mobility)</li> <li>• Development and/or installation of infrastructure for electric vehicles. Examples could include electric charging stations</li> <li>• Urban planning and development that leads to a reduction in the use of passenger cars. Examples could include creating walking communities, improving public transport connectivity or developing car-free city areas</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Development and improvement of transport links to airports</li> <li>• New construction and existing road infrastructure retrofits, including roads, road bridges and parking facilities</li> <li>• Freight trucks dedicated to the transport of fossil fuels or fossil fuels blended with alternative fuels</li> <li>• Self-propelled mode of transportation solely intended for leisure, such as sailing, skateboards, kayaks and canoes (excluding bicycles)</li> </ul>
<b>Freight transport</b> 	<ul style="list-style-type: none"> <li>• Development of associated infrastructure that supports or enables the operation of electric and low-carbon rail<sup>32</sup> and low-carbon water transport. Examples include development of rail infrastructure, bunkering facilities for biofuels, hydrogen, ammonia and methanol and AMP infrastructure Freight transport that falls below 25 grams of CO<sub>2</sub>/tonne-km is eligible</li> <li>• Development, manufacturing, purchase or operation of vessels (boats, barges, ships) fully dedicated to the construction or other services of marine renewables</li> </ul>	<ul style="list-style-type: none"> <li>• Systems and infrastructure used primarily for the transportation of fossil fuels</li> <li>• Rail lines and operations where fossil fuels account for more than 25% of freight (by tonne-km)</li> </ul>

<sup>30</sup> Low carbon is defined as below 25 grams of CO<sub>2</sub>/tonne-km for freight, below 75 grams of CO<sub>2</sub>/km for passenger cars and below 50 grams of CO<sub>2</sub>/passenger-km for passenger rail and buses.

<sup>31</sup> Low-carbon ships defined as fully electric or hydrogen-powered.

<sup>32</sup> Freight rail with an overall portfolio on average threshold <25 gCO<sub>2</sub>/tonne-km.

## Sustainable food, agriculture and forestry

Sub-themes	Eligible activities	Activity exclusions
<b>Sustainable forestry</b> 	<ul style="list-style-type: none"> <li>Commercial forests and sustainable forest management certified with FSC, PEFC or SFI</li> <li>Projects and products that have received FSC, PEFC or SFI certification to promote sustainable forestry and responsible sourcing</li> <li>Sustainable tree-crop production certified with FCS, PEFC or SFI that incorporates native or naturalized species and does not cause or result in deforestation or loss of natural forests or any other biodiversity hotspot that has high conservation value or high carbon stock ecosystems</li> <li>Native non-timber forest products certified by a credible third-party certification, contributing to forest conservation, soil retention and recovery, and alternative livelihoods</li> <li>Design, implementation, use, or improvement of traceability mechanisms, data, and technologies used to prevent deforestation and monitor biodiversity benefits at the corporate level or along the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Any forestry activities primarily related to production of biomass for power generation, unless deemed acceptable under the “Renewable energy” category</li> <li>Any forestry activities identified as being linked to deforestation or land conversion</li> </ul>
<b>Sustainable food and agriculture</b>     	<ul style="list-style-type: none"> <li>Adoption of regenerative agriculture practices, including: <ul style="list-style-type: none"> <li>Development of agriculture projects that do not deplete or that improve existing carbon pools. (e.g., projects that promote minimal or no use of synthetic fertiliser or pesticide use, the use of non-synthetic organic fertilizers, bio-fertilizers or other organic solutions such as composting)</li> <li>Reducing soil disturbance through no-till farming and keeping soil covered with vegetation or natural material (e.g., mulching)</li> <li>Activities that maximise plant diversity and maintain living roots in the soil through robust crop rotations, cover cropping, inter cropping, alley cropping, overseeding, silvopasture, windbreaks and growing diverse forage in pastures</li> </ul> </li> <li>Wildlife habitat management (including planting and expanding hedgerows), establishing wildlife corridors and/or buffer zones around farms</li> <li>Integrated pest and nutrient management (i.e. low-impacting pesticide and nutrient application) to reduce pollution with nitrogen, phosphorus and other nutrients</li> <li>Production of organic<sup>33</sup> food and non-food products certified by credible third-party certifications in particular EU Organic, Rainforest Alliance, Better Cotton Initiative (BCI), Soil Association Certification organic standards and USDA Organic</li> </ul>	<ul style="list-style-type: none"> <li>Biofuel production that competes with food production or causes deforestation or land conversion</li> <li>Agricultural operations identified as being linked to deforestation and land conversion</li> <li>Livestock management projects for industrial-scale meat processors or producers</li> <li>Techniques and technologies implemented on industrial scale livestock production units</li> </ul>

<sup>33</sup> Certifications listed in the IFOAM directory for organic cropping agriculture. The directory can be found at: [https://directory.ifoam.bio/certification\\_bodies](https://directory.ifoam.bio/certification_bodies).

Sub-themes	Eligible activities	Activity exclusions
	<ul style="list-style-type: none"> <li>• Production of organic certified sustainable protein including plant-based proteins with evidence of life-cycle GHG emissions being lower than their meat counterparts, and production that procures raw materials from certified sustainable sources<sup>34</sup></li> <li>• R&amp;D of lab grown proteins and alternative proteins, including insects and cultured meat, as well as R&amp;D and production of plant-based protein and fermented meat with: <ul style="list-style-type: none"> <li>– Evidence of life-cycle GHG emissions being significantly lower than meat counterparts, and</li> <li>– Production that procures raw materials from certified sustainable sources listed within the Sustainable Food and Agriculture category</li> </ul> </li> <li>• Investment in low-carbon agricultural technologies that improve productivity and efficiency while at the same time lowering impact. Examples could include crop sensors, hydroponics or aeroponics<sup>35</sup></li> <li>• Improving the energy efficiency of machinery and equipment, irrigation and other agriculture processes through electrification</li> <li>• Vertical farms that are powered using renewables or low-carbon energy sources with average emissions intensity at or below 100gCO<sub>2</sub>e and have strong energy efficiency measures</li> <li>• Agricultural practices enabling reduction in diffuse pollution including nutrients management systems and controlled release fertilizer</li> <li>• Precision and data-driven agriculture management including remote sensing, geographic information system (GIS) equipment and drones to reduce emissions, resource use and biodiversity loss</li> <li>• Climate-smart agriculture practices, including climate change adaptation and resilience measures enabling increase in crop productivity and resistance to extreme weather events while also improving resource efficiency and conserving or restoring ecosystems. Examples could include drought-resistant seeds, efficient irrigation, water recycling, rainwater harvesting, nutrient cycling, water storage, ecotone levees, floodplain restoration, and watershed restoration</li> <li>• Reduce, reuse, recycle packaging for food production.<sup>36</sup> This could include reduction in packaging weight and density</li> </ul>	<ul style="list-style-type: none"> <li>• Application of energy efficiency improvements to livestock management projects for industrial-scale meat processors or producers</li> <li>• Use of agrochemicals (herbicides or insecticides) to control and/or eradicate invasive plants and/or insects</li> <li>• Manufacture, purchase and distribution of inorganic or synthetic fertilizers, pesticides and herbicides</li> <li>• Equipment that runs directly on fossil fuel such as those powered by diesel</li> <li>• Genetically modified organisms and crops</li> <li>• Hunting, trapping, poisoning and culling of vertebrate animals considered as pests</li> <li>• Chemical recycling of plastics</li> <li>• Procurement of single-use plastics</li> </ul>

<sup>34</sup> Please see list of certifications included above. Additional certifications in particular UTZ certified, Roundtable on Responsible Soy (RTRS).

<sup>35</sup> Sustainalytics notes that vertical farming offers some environmental benefits, when compared to conventional farming, including reduction in water and fertilizer use. However, it is also, on average, substantially more energy-intensive than traditional farming. Sustainalytics considers such expenditures to be credible green expenditures when coupled with the implementation of strong energy efficiency measures and renewable energy procurement.

<sup>36</sup> Reuse will be limited to the product being put to its original use with minimal or no pre-processing. Recycling will result in secondary raw material creation.



Sub-themes	Eligible activities	Activity exclusions
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- Food waste reduction and processing to produce compost for agricultural, municipal or consumer applications
- Saline agriculture projects, including cultivation of salt-tolerant crops, soil management techniques to mitigate salt effects and irrigation using saline water
- Projects that promote agrobiodiversity or agroecology. Examples could include:
  - Conservation of native species and rehabilitation of degraded lands with native and/or naturalised species that can more readily adapt to variations in production cycles, water quality, quantity and temperatures
  - Establishment and maintenance of seed banks for collecting, classifying, researching, storing and conserving local seed varieties and safeguarding genetic diversity for future crop breeding
  - Installation of ecological infrastructure such as hedges, thickets and ponds

**Sustainable land use and biodiversity conservation**





- Activities which enhance the sequestration and long term storage of carbon from the atmosphere (e.g., restoration of upland and lowland peatlands)
  - Rehabilitation, restoration and conservation of ecosystems from a degraded state and rewilding projects. Biodiversity gains should be considered on a sector or jurisdiction specific basis
  - Provision of services for restoring natural habitats. Examples could include the use of drones to plant mangroves
  - Elimination, minimisation, reduction and/or mitigation of the impacts of invasive alien species on biodiversity and ecosystem services
  - Investment in the management and maintenance of protected areas<sup>37</sup>
  - Activities that enhance biodiversity outcomes associated with renewables projects such as interplanting
- Livestock management projects for industrial-scale meat processors or producers
  - Techniques and technologies implemented on industrial scale livestock production units
  - Use of agrochemicals (herbicides or insecticides) to control and/or eradicate invasive plants and/or insects
  - Manufacture, purchase or distribution of inorganic, synthetic fertilizers, pesticides or herbicides
  - Equipment that run directly on fossil fuel such as those powered by diesel








<sup>37</sup> A protected area is a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long term conservation of nature with associated ecosystem services and cultural values (<https://iucn.org/our-work/topic/effective-protected-areas>)





Sub-themes	Eligible activities	Activity exclusions
		<ul style="list-style-type: none"> <li>Genetically modified organisms and crops</li> <li>Hunting, trapping, poisoning and culling of vertebrate animals considered as pests</li> <li>Commercial forests without certifications (FSC, PEFC or SFI)</li> <li>Boat operators, sailing schools and diving centre</li> </ul>

## Pollution prevention and control



Sub-themes	Eligible activities	Activity exclusions
<b>Sustainable waste management</b>  	<ul style="list-style-type: none"> <li>Processes, infrastructure and technologies that facilitate waste prevention, waste reduction and waste recycling. Examples could include waste management companies<sup>38</sup> which incorporate recycling and sustainable waste management practices, and recycling facilities powered by renewable energy</li> <li>Treatment of bio-waste through anaerobic digestion in dedicated plants with the resulting production and utilisation of biogas and digestate</li> <li>Treatment of bio-waste through composting (aerobic digestion) in dedicated facilities with the resulting production and utilisation of compost</li> <li>Projects to capture biogas from closed landfill facilities, with high gas capture efficiency of 75% or more</li> </ul>	<ul style="list-style-type: none"> <li>Technologies and processes in traditional carbon-intensive production processes in heavy industries</li> <li>Chemical recycling of plastic</li> <li>Plastics, rubber, tire-derived fuels (TDF) for energy or fuel conversion</li> <li>Treatment of bio-waste from non-RSPO certified palm oil operations</li> </ul>

<sup>38</sup> Where electronic waste recycling is considered, recycling companies employed will have robust waste management processes to mitigate associated risks with e-waste recycling. Where plastic recycling is considered, this will be limited to mechanical recycling.

Sub-themes	Eligible activities	Activity exclusions
<p><b>GHG emission reduction</b></p>   	<ul style="list-style-type: none"> <li>Developing processes/systems to reduce GHG emissions in a company's product supply chain. Examples include reducing air emissions through process upgrades, installation of sensors to monitor or test emission control and compliance including investments with third party to find ways to reduce emissions</li> <li>Reductions in GHG emissions resulting from retrofit of existing commercial, residential or industrial facilities with refrigerants that have a lower global warming potential (GWP) coupled with robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation/recycling or destruction of refrigerants at end of life</li> </ul>	<ul style="list-style-type: none"> <li>Projects that i) are reliant on fossil fuels; or ii) facilitate the reduction of GHG emissions in fossil fuel production and/or distribution</li> <li>Production processes in heavy industries, such as steel, cement, aluminium</li> <li>Projects that apply GHG emissions capture in active landfills</li> <li>Carbon Capture Utilisation (CCU) where captured carbon is intended for enhanced oil recovery</li> </ul>
<p><b>Reduction of (non-GHG) air emissions</b></p>    	<ul style="list-style-type: none"> <li>Activities involving the installation, maintenance and operation of end-of-pipe equipment for the removal and reduction of emissions of particulate matter or other air-polluting substances. Examples could include filters, de-dusting equipment, catalytic converters, post-combustion and other techniques</li> <li>Activities that prevent pollution through in-process modifications (cleaner technologies and/or use of cleaner products). Examples could include recovery of solvents, and prevention of spills and leaks through improving air-tightness of equipment</li> <li>Processes and measures that clean the air using physical (filtering), biological or chemical methods (neutralising contaminants)</li> </ul>	

Sub-themes	Eligible activities	Activity exclusions
<b>Soil remediation</b>    	<ul style="list-style-type: none"> <li>Decontamination or remediation of soils using physical, mechanical or biological methods. Examples could include biological control of weeds (through different organisms such as insects, mites, nematodes, and pathogens), mowing, tilling, girdling, chopping and constructing barriers</li> <li>Measures and activities aimed at the prevention of pollutant infiltration and the protection of soil from salinisation, erosion or other physical degradation, including addition of biochar</li> </ul>	<ul style="list-style-type: none"> <li>Remediation of contamination from the borrowers' own activities unless the borrower restores the ecosystem to a state better than its original condition</li> <li>For reforestation and afforestation projects, non-native tree species, not adapted to the site's conditions, without a sustainable management plan in place</li> <li>Use of agrochemicals (herbicides or insecticides) to control and/or eradicate invasive plants and/or insects</li> </ul>

## Resource efficiency and circular economy

Sub-themes	Eligible activities	Activity exclusions
<b>Circular economy</b>  	<p><b>Circular design</b></p> <ul style="list-style-type: none"> <li>Companies/projects that eliminate/reduce input of hazardous/toxic materials and design for modularity, easy disassembly and repair to facilitate reuse, recyclability and extended lifecycle</li> <li>Production technologies/processes that reduce material use, enable resource recovery, and minimise waste generation such as closed-loop manufacturing systems or industrial symbiosis initiatives<sup>39</sup></li> </ul> <p><b>Material/resources recovery</b></p> <ul style="list-style-type: none"> <li>Measures aimed at scaling of recycling infrastructure and technologies to enhance material recovery and the creation of secondary raw material</li> <li>Provision of waste collection services which supports source segregation of waste,<sup>40</sup> including the collection, processing and treatment of hazardous waste</li> </ul>	<ul style="list-style-type: none"> <li>Equipment and technologies designed or intended for processes that are inherently carbon intensive, primarily driven or powered by fossil fuels</li> <li>Projects involving products that are made entirely from virgin petroleum-based plastic and for products which are not recyclable</li> <li>Repair, refurbishment and reuse of products that are fossil fuel powered or used for extraction of fossil fuel</li> </ul>

<sup>39</sup> Production technologies related to industrial symbiosis initiatives exclude hard-to-abate industries, including steel, cement, aluminium and chemical.

<sup>40</sup> Waste collection vehicles that are zero emission, or hybrid vehicles at or below the threshold of 75 gCO<sub>2</sub>/km based on lab tests.

Sub-themes	Eligible activities	Activity exclusions
	<p><b>Circular inputs</b></p> <ul style="list-style-type: none"> <li>• Procurement of waste or recycled material as an input</li> <li>• Companies/projects that substitute virgin raw materials with secondary (recycled) materials originating from materials and resources recovery</li> <li>• Production of aluminium-based consumer product 90% or more of input is scrap/recycled aluminium</li> <li>• Production of plastic with: <ul style="list-style-type: none"> <li>– at least 90% of recycled, renewable and/or bio-based input, and</li> <li>– at least 90% is not intended for single use consumer products, and</li> <li>– all products are recyclable and biogenic input should be sustainably sourced<sup>41</sup></li> </ul> </li> <li>• Production of eco-efficient products that are RSB certified (in case of bio-based materials)</li> <li>• Manufacturing, trade finance, or retail of bio-based raw materials and compostable and biodegradable products from a sustainable source (recycled or certified by a credible third-party certification), including plant-based packaging solutions that displace traditional non-sustainable products</li> </ul> <p><b>Repair activities</b></p> <ul style="list-style-type: none"> <li>• Companies/projects that are aimed at increasing the lifespan of existing products such as through repair and predictive maintenance, with the aim of products being put back to their original use with minimum pre-processing required</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial-scale manufacturing or production of resource-efficient, low-carbon or eco-efficient products without details on manufacturing process, assurance of sustainable sourcing, or reasonable basis for substantial reduction of life-cycle emissions</li> <li>• Chemical recycling of plastic</li> <li>• Procurement of recycled or waste inputs intended for plastic packaging for single-use consumer products (non- medical)</li> <li>• Procurement of inputs for single use plastic products</li> <li>• Disposal of hazardous waste</li> </ul>

<sup>41</sup> Sustainable sourcing means either waste inputs, or bio-based inputs certified by a credible agriculture or forestry scheme.



## Sustainable water

Sub-themes	Eligible activities	Activity exclusions
<b>Sustainable water management</b>	<ul style="list-style-type: none"> <li>• Products, services and projects that attempt to resolve water scarcity and water quality issues, including minimising current water use and demand increases, improving the quality of water supply to make the quality of water compliant with the applicable legislation and improving the availability and reliability of water (e.g., water reclaim systems, leak detection systems)</li> <li>• Infrastructure and engineering projects developing new or repairing existing water and sanitation pipelines. Equipment and technology resulting in improved quality and/or water use efficiency</li> <li>• Technologies and products that reduce, reuse, or recycle water as a means of conservation certified to a relevant water-efficiency standard, such as rainwater harvesting systems</li> <li>• Investments in the protection of land, forests, and other vegetation in the upper watershed as a means to improve the quality of water bodies and groundwater recharge areas, evidenced by a relevant survey</li> <li>• Distribution of drinking water with measurable improvements to water quality, water efficiency or climate change resilience. Examples could include water utilities operating under appropriate regulatory frameworks such as in the UK, EU and the US</li> <li>• Manufacturing or retail of ocean and water-friendly household products, where manufacturing/production of such products also consists of at least 90% of recycled, renewable and/or bio-based input that are sustainably sourced (waste inputs or bio-based inputs certified by a credible third-party certification). Examples could include biodegradable, phosphate-free and microbead-free products<sup>42</sup></li> <li>• Activities associated with the reduction of the use of cooling water and more efficient water cooling</li> </ul>	<ul style="list-style-type: none"> <li>• Water projects identified as being linked to water stress or pollution</li> <li>• Projects, equipment or methods dependant on fossil fuels</li> <li>• Systems and measures to provide water for fossil fuel operations, fracking, and mining</li> </ul>







<sup>42</sup> The financing of such products will adhere to IFC's Blue Finance Guidance Framework: <https://www.ifc.org/content/dam/ifc/doc/mgrt/ifc-guidelines-for-blue-finance.pdf>



Sub-themes	Eligible activities	Activity exclusions
<b>Sustainable wastewater management</b>  	<p><b>Wastewater treatment:</b></p> <ul style="list-style-type: none"> <li>Processes that facilitate treatment of wastewater on a large scale, such as wastewater treatment plants</li> <li>Development, manufacture, installation or operation of technologies, systems or facilities that recycle, compost or increase efficiency of wastewater processing</li> </ul> <p><b>Water pollution prevention and control</b></p> <ul style="list-style-type: none"> <li>Upgrades and improvements to industrial and manufacturing processes or utilities and other public services that are proven to improve water quality and reduce hot water outflows</li> <li>Manufacture and provision of technologies, equipment and software specifically designed to enable improvement in water quality and temperature</li> <li>Urban drainage systems that prevent plastic, solid waste, and pollutants runoff into freshwater and marine habitats</li> <li>Prevention of stormwater, wastewater and agrochemical runoff into waterways</li> <li>Decontamination or remediation of ground and surface water and its shores, such as through collection of pollutants or through physical, chemical or biological method</li> </ul>	<ul style="list-style-type: none"> <li>Wastewater treatment for fossil fuel operations and/or carbon-intensive sectors</li> <li>Industrial scale livestock facilities</li> <li>Remediation of contamination from the borrowers' own activities unless the borrower restores the ecosystem to a state better than its original condition</li> </ul>


## Climate change adaptation

Sub-themes	Eligible activities	Activity exclusions
<b>Climate change adaptation</b>    	<ul style="list-style-type: none"> <li>Infrastructure to increase resilience against extreme weather events.<sup>43</sup> Examples could include coastal pumping stations and water reclamation plants in areas of water stress, wetland protection, stormwater management, flood defences, grid resilience, renewable based back-up generation systems and storage designed for climate-related disruption<sup>44</sup></li> <li>Information support systems, such as long-term climate observation, systems for monitoring GHG emissions and early warning systems</li> <li>Expenditures related to the design, construction and/or refurbishment of existing infrastructure and maintenance of eligible infrastructure that features intentional integration of climate resilient construction (design, materials) and/or soft infrastructure improvement (asset-focused resilience). Examples could include flood mitigation barriers, drainage systems, and wildfire mitigation and management</li> </ul>	<ul style="list-style-type: none"> <li>Business as usual renovation and refurbishments such as routine maintenance and minor upgrades that do not significantly enhance the environmental performance or resilience of such infrastructure or asset</li> </ul>


<sup>43</sup> Given the potentially significant impact of infrastructure on the environment, all climate change adaptation infrastructure projects will be supported by a vulnerability assessment and adaptation plan.

<sup>44</sup> Renewable energy generation and energy storage systems as defined under Renewable Category in the Framework.

## Carbon financing


Sub-themes	Eligible activities	Activity exclusions
<b>Carbon financing</b> 	<p>Financing and enabling the scaling of the voluntary carbon credits market through projects that are otherwise eligible within this Framework and that are certified under at least one of the following standards:</p> <ul style="list-style-type: none"> <li>• Verified Carbon Standard (VCS)</li> <li>• Gold Standard for Global Goals</li> <li>• American Carbon Registry Standard</li> <li>• Climate Action Reserve Standard</li> <li>• Plan Vivo</li> <li>• Woodland Carbon Code (WCC) for UK based afforestation projects</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of carbon credits as a majority of net proceeds (for the purpose of offsetting Scope 1 emissions from core operations)</li> <li>• Generated GHG emissions primarily from fossil fuel related operations, such as from coal mining</li> <li>• Generated GHG emissions for the purpose of subsequent emission reduction, removal or destruction such as landfill gas flaring and industrial gas destruction (e.g., HCFC-22 facility for HFC-23 destruction)</li> </ul>

## Nature-based solutions

Sub-themes	Eligible activities	Activity exclusions
<b>Nature-based solutions</b> 	<p><b>Green buildings</b></p> <ul style="list-style-type: none"> <li>• Activities that maximise environmental net gains and protect nature-based solutions by promoting biodiversity and nature-based solutions in the built environment (e.g. green roofs and walls, surfaces that enhance water management such as water retention gardens or porous pavements)</li> </ul> <p><b>Forestry</b></p> <ul style="list-style-type: none"> <li>• Forest conservation projects, afforestation (plantations) on non-forested land or reforestation on previously forested land using tree species that are well adapted to site conditions and accompanied by a sustainable forest management plan</li> </ul> <p><b>Sustainable land use and biodiversity conservation</b></p> <ul style="list-style-type: none"> <li>• Terrestrial and aquatic biodiversity conservation including the protection of forests, woodlands, rainforests, rangelands, wetlands, peatlands, coastal, watershed and marine environments including seagrass beds, coral reefs and mangroves</li> <li>• Investments in the protection of land, forests, and other vegetation in the upper watershed as a means to improve the quality of water bodies and groundwater recharge areas, and reduce runoff, sedimentation, and siltation, evidenced by a relevant survey</li> </ul>	<ul style="list-style-type: none"> <li>• Business as usual renovation and refurbishments or those in line with requirements under legislation such as routine maintenance and minor upgrades that do not significantly enhance the environmental performance or resilience of such infrastructure or asset</li> <li>• Livestock management projects for industrial-scale meat processors or producers</li> <li>• Techniques and technologies implemented on industrial scale livestock production units</li> <li>• Use of agrochemicals (herbicides or insecticides) to control and/or eradicate</li> </ul>

Sub-themes	Eligible activities	Activity exclusions
	<ul style="list-style-type: none"> <li>Wetlands to support removal of organic pollutants from wastewater</li> </ul>	<ul style="list-style-type: none"> <li>invasive plants and/or insects</li> </ul>
	<p><b>Carbon finance</b></p> <ul style="list-style-type: none"> <li>Afforestation, reforestation, habitat restoration and conservation of coastal and marine habitats using tree species that are well-adapted to the site conditions<sup>45</sup></li> <li>Land management approaches such as the addition of biochar to soil</li> </ul>	<ul style="list-style-type: none"> <li>Manufacture, purchase or distribution of inorganic, synthetic fertilizers, pesticides or herbicides</li> <li>Genetically modified organisms or crops</li> </ul>
	<p><b>Nature markets<sup>46</sup></b></p> <ul style="list-style-type: none"> <li>Financing and enabling the scaling of the biodiversity credits market through projects that are otherwise eligible within this Framework and that are certified under a credible standard<sup>47</sup></li> <li>Conservation or restoration projects to create biodiversity credits for meeting mitigation requirements. Examples could include the creation of wetlands to generate biodiversity credits</li> <li>Payments for ecosystem services or investments in mechanisms and conservation trust funds that support payment for ecosystem services directly linked to nature and biodiversity conservation. This could include the provision of financial services to MSMEs as defined under this Framework</li> </ul>	<ul style="list-style-type: none"> <li>Hunting, trapping, poisoning and culling of vertebrate animals considered as pests</li> <li>Commercial forests without certifications (FSC, PEFC or SFI)</li> <li>Boat operators, sailing schools and diving centres</li> </ul>
	<p><b>Climate change adaptation</b></p> <ul style="list-style-type: none"> <li>Regeneration or extension of natural forests and coastal natural buffer zones, restoration of salt marshes, peatland restoration, wild brush clearing, species diversification, and mangrove conservation and replanting</li> </ul>	

## Cross-theme

Sub-themes	Eligible activities	Activity exclusions
<p><b>Financing charities and non-profit institutes</b></p> 	<ul style="list-style-type: none"> <li>Provision of dedicated financing to Registered Charities, Non-Profit Institutes and other philanthropic organisations which support activities in line with the green activities identified in the Framework</li> <li>Lending to social enterprises, non-profit organisations and/or registered charities in the UK that have the specific purpose to advance the green themes in this Framework</li> </ul>	

<sup>45</sup> Such projects will have a sustainable management plan in place, preferably certified to FSC, PEFC or SFI certification.

<sup>46</sup> In accordance with the International Finance Corporation's (IFC) Biodiversity Finance Reference Guide <https://www.ifc.org/content/dam/ifc/doc/mgrt/biodiversity-finance-reference-guide.pdf>.

<sup>47</sup> Sustainalytics notes that Barclays may finance biodiversity credits that are registered under internationally recognized standards. To ensure a measurable contribution to sustainable development objectives, such as biodiversity conservation, habitat restoration, or ecosystem services improvement, Sustainalytics recommends Barclays to ensure the exclusion of projects that can reasonably be assumed to have resulted in significant biodiversity loss or degradation, or projects linked to activities primarily dependent on fossil fuel-related operations, where the purpose is subsequent compensation or mitigation rather than genuine conservation or restoration efforts.

# 3. Social eligibility criteria

This section sets out eligible social activities, including any specific exclusions applicable to a particular activity which would mean it is not eligible as a social activity. It also sets out the relevant SDGs for each sub-theme on a best-efforts basis, focusing on the primary SDG contribution from each activity.

## Definition of target populations and target areas<sup>48</sup>

Social financing directly aims to address or mitigate specific social issues and/or seeks to achieve positive social outcomes especially but not exclusively for a target population or a target area. Target population thresholds will vary by region and therefore we adhere to local jurisdiction definitions where available. Examples of target populations and target areas include, but are not limited to, those that are:

- Populations living in low and lower-middle income countries as defined by the World Bank<sup>49</sup>
- Populations living below the poverty line<sup>50</sup>
- Economically excluded and/or marginalised populations and/or communities, including as a result of natural disasters<sup>51</sup>
- People with disabilities
- Migrants and/or displaced persons
- Undereducated
- Underserved, owing to a lack of quality access to essential goods and services
- Unemployed
- Populations in developing but not high-income countries as per the UN World Economic Situation and Prospects (WESP) report
- Women and/or sexual and gender minorities
- Aging populations and vulnerable youth<sup>52</sup>

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<sup>48</sup> Based on ICMA Social Bond Principles 2023 (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>).







<sup>49</sup> World Bank classification is based on Gross National Income (GNI) per capita, calculated through the World Bank Atlas method for low-income or lower middle-income economies (<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>).

<sup>50</sup> The definition of living below the poverty line should be based on World Banks definition or the local government definition.

<sup>51</sup> The definition of economically excluded and marginalised individuals should be based on the local government definitions.

<sup>52</sup> The definition of vulnerable youth should be based on the local government definitions.

## Affordable housing









Sub-themes	Eligible activities	Activity exclusions
<p><b>Development and provision of affordable housing<sup>53</sup></b></p>   	<ul style="list-style-type: none"> <li>• Development and/or operation of shelters, halfway homes or community housing to target populations as defined above<sup>54</sup></li> <li>• Providing affordable and low-income housing to target population as defined above. Examples could include affordable housing financed through municipal bonds or municipal lending, affordable and low-income housing financed through Government Sponsored Enterprise (GSE) or affordable and low-income housing provided through Registered Social Landlords (UK)</li> <li>• Lending to housing associations involved in the construction and management of shared-ownership properties.<sup>55</sup> Where such loans are extended to individuals, these will be on preferential financial terms, including interest rates that are below the market rate</li> </ul>	<ul style="list-style-type: none"> <li>• US government sponsored entity (GSE) debt</li> <li>• Registered Social Landlords – (i) that are for profit or joint-ventures between Registered Social Landlords and non-registered entities or (ii) which no longer meet Governance and Viability standards of the UK regulator</li> </ul>
<p><b>Housing improvements</b></p>   	<ul style="list-style-type: none"> <li>• Renovation, maintenance, and improvement of shelters, halfway homes, community housing or other affordable and social housing projects as described above, which are in poor conditions</li> </ul>	

<sup>53</sup> For rental schemes, adequate affordability measures will be in place as defined by local governments.

<sup>54</sup> Sustainalytics considers the financing of affordable housing projects to be credible when targeted at low-income (up to 80% of median income in relevant geography) or historically marginalized communities with adequate affordability measures in place.

<sup>55</sup> Sustainalytics notes that Barclays finances UK-accredited Housing Associations that provide affordable housing under the UK Government's Shared Ownership scheme, which sells homes to people for whom open market purchases would otherwise be unattainable. Purchasers buy a share of the property and pay rent on the remaining value. Eligibility for the scheme is determined by government criteria which limits households to those with annual income of up to GBP 80,000 (EUR 92,500) or GBP 90,000 (EUR 104,000) in London. Sustainalytics acknowledges that the scheme follows the practice for affordable housing as determined by the local regulator and recognizes the expected benefits for many first-time home buyers. In Sustainalytics' opinion, in order to ensure a contribution to increasing access to affordable housing, it is best practice to define a target population with an upper threshold at or below the annual median income at the municipal or regional level. Although the Framework follows the government's income cap, this is still well above the median household income in the UK, which was GBP 34,500 (EUR 41,574) by the end of FY2023.


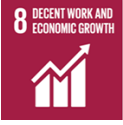


## Affordable basic infrastructure

Sub-themes	Eligible activities	Activity exclusions
<b>Telecommunication infrastructure and services</b>   	<ul style="list-style-type: none"> <li>• Telecommunication services and infrastructure that improves connectivity for relevant target populations and underserved communities with no or inadequate connectivity<sup>56</sup></li> <li>• Provision of free or subsidised/affordable internet to target populations</li> </ul>	
<b>Transportation infrastructure</b>   	<ul style="list-style-type: none"> <li>• Development of roads or other transportation infrastructure to improve connectivity for target populations in underdeveloped rural areas, or areas where road infrastructure is clearly inadequate and hinders a community's development</li> <li>• Free/discounted access to public transportation infrastructure for target populations in underdeveloped rural areas, or areas where road infrastructure is clearly inadequate and hinders a community's development</li> <li>• Development of sidewalks for public (including accessibility improvements for people with disabilities)</li> </ul>	<ul style="list-style-type: none"> <li>• Development of airports</li> <li>• Development of highways in urban areas</li> <li>• Upgrade of highways and major roads, including in rural areas</li> <li>• Privatisation of highways</li> <li>• Construction of toll booths</li> </ul>
<b>Other basic infrastructure</b>    	<ul style="list-style-type: none"> <li>• Development<sup>57</sup>, expansion or improvement of access to clean drinking water, sanitation and sewers, including desalination projects powered using low-carbon sources and with appropriate waste management plan for brine disposal</li> <li>• Development and expansion of transmission and distribution infrastructure that provides clean energy for target populations in areas where there is no access or access to energy is substantially inadequate</li> </ul>	<ul style="list-style-type: none"> <li>• Transmission lines directly connected to fossil fuel power plant (coal, oil, or natural gas)</li> <li>• Desalination plants with dedicated on-site fossil fuel power</li> <li>• Integrated water and power plant (IWPP) with dedicated on-site fossil fuel power</li> <li>• Fossil fuel power generation</li> </ul>

<sup>56</sup> See 'Definition of target populations and target areas' above.

<sup>57</sup> Where desalination plants are considered, these will be limited to plants that are powered by low-carbon sources, such as renewables, or the electricity has an average carbon intensity below 100gCO<sub>2</sub>/kWh. Additionally, desalination plants will have appropriate waste management plans for brine disposal.





## Access to essential services




Sub-themes	Eligible activities	Activity exclusions
<b>Access to credit and financing</b>    	<ul style="list-style-type: none"> <li>• Microfinance lending to the relevant target population with interest rates that are below the market rate</li> <li>• MSME<sup>58</sup> lending in developing countries but not high-income countries as per the UN World Economic Situation and Prospects (WESP) report</li> <li>• MSMEs with majority ownership by economically excluded and/or marginalised populations and/or communities</li> <li>• Women-owned or led MSMEs that meet one of the following criteria:             <ul style="list-style-type: none"> <li>– (i) at least 51 per cent owned by woman or women; OR (ii) the business is founded by a woman (i.e. 50 per cent shareholding); OR</li> <li>– (i) at least 20 per cent owned by woman or by women; AND (ii) with a woman as CEO, COO, President or Vice President; AND (iii) has a board of directors at least 30 per cent comprised of women, where a board exists</li> </ul> </li> <li>• MSME lending in the event of a natural disaster<sup>59</sup> towards restarting essential services and facilities and projects to support natural disaster recovery</li> <li>• Digital financial services aimed at improving digital inclusion for target population, such as mobile money services and remittances</li> </ul>	<ul style="list-style-type: none"> <li>• Payday loans</li> <li>• High interest MFI loans</li> <li>• MSME loans that finance any involvement in alcohol, tobacco, gambling, military weapons or small arms</li> </ul>

<sup>58</sup> MSME as defined by local jurisdictions where applicable or the IFC definition in the absence of local guidelines, which refers to any organization that has fewer than 300 employees and a turnover and total assets of less than USD 15 million, at: [https://www.ifc.org/wps/wcm/connect/industry\\_ext\\_content/ifc\\_external\\_corporate\\_site/financial+institutions/priorities/ifcs+definition+of+targeted+sectors](https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definition+of+targeted+sectors).

<sup>59</sup> In the event of a natural disaster, priority will be given to financial lending to restart essential services and facilities which activity may or may not align with the activity exclusions in the Barclays Sustainable Finance Framework. Sustainalytics notes, that this financing will be focused on SMEs that are located within the severely affected areas as defined by the local or national government.



Sub-themes	Eligible activities	Activity exclusions
<p><b>Accessible and affordable healthcare</b></p>  	<p><b>Hospitals, care facilities/clinics</b></p> <ul style="list-style-type: none"> <li>• Development, expansion or acquisition of any buildings or facilities at any non-profit, public, standalone or university-affiliated hospital, clinic, mental health facility or healthcare facility</li> <li>• Development, expansion or acquisition of any buildings or facilities at any for-profit hospital, clinic or healthcare facility that guarantees access to target populations<sup>60,61</sup></li> <li>• Development, provision and maintenance of elder care facilities including nursing homes and retirement homes that are publicly owned or private not-for-profit with affordability measures in place</li> </ul> <p><b>Community health service providers<sup>62</sup></b></p> <ul style="list-style-type: none"> <li>• Development of any facilities for community health service providers</li> <li>• Development and provision of community-based healthcare, mental health care or social services in target areas or to target populations</li> </ul> <p><b>Providers supporting healthcare related products and services</b></p> <ul style="list-style-type: none"> <li>• Development of critical medical equipment or provision of diagnostic services public and private hospitals<sup>63</sup>. Examples could include MRI machines, respirators or services that support diagnostics such as laboratory testing</li> <li>• R&amp;D into potential cures for neglected diseases defined as per WHO Neglected Tropical Diseases<sup>64</sup></li> <li>• Provision of affordably priced or subsidised medicines on the World Health Organisation (WHO) essential medicines list to target populations or in target areas.</li> <li>• Affordable health insurance solutions for target populations</li> </ul> <p><b>Public health emergency response</b></p> <ul style="list-style-type: none"> <li>• Public health crisis emergency response (including COVID-19-response). Examples include financing to increasing healthcare capacity, operational support of vaccine deployment, training of personnel to assist pandemic response</li> </ul>	
<p><b>Regeneration of and access to public spaces</b></p>  	<ul style="list-style-type: none"> <li>• Development of and free/discounted access to recreational centres (e.g., YMCA/YWCA), cultural centres, museums and libraries in target areas that will be made free to access or sufficiently subsidised to ensure affordability for target populations</li> <li>• Development, refurbishment and maintenance of parks that will be made free to access or sufficiently subsidised to ensure affordability for the target population</li> </ul>	<ul style="list-style-type: none"> <li>• Professional stadiums and sports centres</li> <li>• Public spaces dedicated to religious and political activities</li> </ul>

Sub-themes	Eligible activities	Activity exclusions
<p data-bbox="164 259 341 383"><b>Access to affordable and quality education<sup>65</sup></b></p> 	<p data-bbox="387 259 1064 315"><b>Pre-K/ Nursery, primary, secondary and post-secondary education</b></p> <ul data-bbox="387 331 1021 465" style="list-style-type: none"> <li>• Development of public pre-K/Nursery, elementary and secondary education facilities and programs</li> <li>• Development of community colleges, vocational schools or public and private universities</li> </ul> <p data-bbox="387 481 957 515"><b>Education service providers/vocational training</b></p> <ul data-bbox="387 526 1045 784" style="list-style-type: none"> <li>• Development of trade schools, job training or job placement programs for target populations provided free or sufficiently subsidized to ensure affordability</li> <li>• Other educational programs, including provision of personalized digital tools or systems for students from the target populations or in target areas provided free or sufficiently subsidized to ensure affordability</li> </ul>	<ul data-bbox="1098 259 1422 517" style="list-style-type: none"> <li>• Private schools/ colleges/ universities/ that are for-profit without affordability mechanisms for the target population</li> <li>• Sporting facilities and stadiums at universities</li> </ul>
<p data-bbox="164 819 304 875"><b>Emergency services</b></p>  	<ul data-bbox="387 819 981 909" style="list-style-type: none"> <li>• Provision of emergency services related to fire, rescue, medical response and disease control services<sup>66</sup></li> </ul>	<ul data-bbox="1098 819 1406 1032" style="list-style-type: none"> <li>• Emergency services connected directly to the exercise of retributive justice systems such as policing, incarceration, and surveillance</li> </ul>

<sup>60</sup> Sustainalytics considers affordable when more than 90% of the population can afford the services or medicines

<sup>61</sup> Sustainalytics considers the financing of healthcare facilities that ensure accessibility and affordability to be a credible social activity.

<sup>62</sup> Sustainalytics considers the financing of health service providers that ensure accessibility and affordability to be a credible social activity.





<sup>63</sup> Sustainalytics considers the financing of the manufacture of medical equipment when it is specifically for use and to be supplied to public hospitals or private facilities where affordability is ensured as a credible social activity.

<sup>64</sup> WHO Neglected Tropical Diseases, at: [https://www.who.int/health-topics/neglected-tropical-diseases#tab=tab\\_1](https://www.who.int/health-topics/neglected-tropical-diseases#tab=tab_1)


<sup>65</sup> Sustainalytics notes that the private schools and universities are considered to be affordable when more than 90 per cent of the population can afford the fees charged.

<sup>66</sup> Such emergency services will be free and accessible to all and targeted at regions where emergency services are severely limited or lacking.

## Food security and sustainable food systems

Sub-themes	Eligible activities	Activity exclusions
<b>Food and water security</b>  	<ul style="list-style-type: none"> <li>Developing access to nutrition (food and potable water) programs that address malnutrition for target populations in areas with an explicit need to tackle food security which will be made affordable to all regardless of ability to pay</li> <li>Provision of technical capacity building or training to smallholder farmers<sup>67</sup> to increase nutritional quality of agricultural products</li> <li>Development of equipment and drugs for food and water safety including water purification tablets for target populations</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of agricultural products that are forbidden under WHO Class I &amp; II hazardous products<sup>68</sup></li> <li>Projects involving livestock for industrial-scale meat processors or producers</li> <li>Genetically modified crops</li> </ul>
<b>Sustainable food systems</b>  	<ul style="list-style-type: none"> <li>Development or provision of agricultural training programs for smallholder farmers to increase uptake of new technology and introduce efficient farming practice</li> <li>Provision of products and services to smallholder farmers</li> <li>Investment in infrastructure such as warehouses aimed at providing adequate storage, improved food conservation or connectivity in the food chain for reducing food loss</li> <li>Goods which are Fairtrade certified<sup>69</sup></li> </ul>	<ul style="list-style-type: none"> <li>Projects involving livestock for industrial-scale meat processors or producers</li> </ul>

## Cross-theme








Sub-themes	Eligible activities	Activity exclusions
<b>Financing charities and non-profit institutes</b> 	<ul style="list-style-type: none"> <li>Provision of dedicated financing to Registered Charities, Non-Profit Institutes and other philanthropic organisations which advance social causes such as gender equality, LGBTQIA+, human rights and culture</li> <li>Lending to social enterprises, non-profit organisations and/or registered charities that have the specific purpose to advance the social themes in this Framework</li> </ul>	<ul style="list-style-type: none"> <li>Religious and political institutions</li> </ul>

<sup>67</sup> The definition of 'smallholder' varies by region. Unless an alternative jurisdictional definition is available, we define 'smallholder' as follows:




- UK: operations smaller than 54 hectares, in line with the UK Government definition for 'smaller than average size farms' (<https://www.farmbusinesssurvey.co.uk/DataBuilder/Default.aspx?Menu=Menu&Module=Results&rqREF=020058>)
- US: operations with gross cash farm income under \$250,000, in line with the USDA definition of 'small farms' (<https://www.usda.gov/media/blog/2010/05/18/small-farms-big-differences>).
- All other regions: operations smaller than 2 hectares, in line with the UN Food and Agricultural Organization (FAO) definition ([https://www.iisd.org/ssi/wp-content/uploads/2019/09/Smallholders\\_publication.pdf](https://www.iisd.org/ssi/wp-content/uploads/2019/09/Smallholders_publication.pdf)).

<sup>68</sup> The WHO Recommended Classification of Pesticides by Hazard and guidelines to classification, 2019 edition, (<https://www.who.int/publications/i/item/9789240005662>).

<sup>69</sup> <https://www.fairtrade.net/en.html>

Sub-themes	Eligible activities	Activity exclusions
<p><b>Development banks, intergovernmental and supranational organisations</b></p>       	<p>Raising capital for, lending to, or co-investing with organisations that have a development mandate provided the funds are used for projects that are eligible under this Framework. Examples include:</p> <ul style="list-style-type: none"> <li>Development Banks or Development Finance Institutions (DFIs) (e.g., World Bank, European Bank for Reconstruction and Development (EBRD), International Bank for Reconstruction and Development (IBRD), African Development Bank (ADF))</li> <li>Intergovernmental Organisations (IGOs) (e.g., UN agencies)</li> <li>Supranational organisations with a development mandate (e.g., European Investment Bank (EIB), Nordic Investment Bank)</li> <li>National Development Banks (e.g., KfW Development Bank, Development Bank of Japan (DBJ))</li> </ul>	<ul style="list-style-type: none"> <li>Stabilising mechanisms, specifically the European Financial Stabilisation Mechanism (EFSM) and European Financial Stability Facility (EFSF)</li> <li>Organisations without development mandates</li> </ul>

## Employment generation

Sub-themes	Eligible activities	Activity exclusions
<p><b>Employment generation</b></p>   	<ul style="list-style-type: none"> <li>Training and development programmes, capacity building aimed at improving the employability and upskilling of economically excluded or marginalised populations or communities, including as a result of natural disasters</li> <li>Provision of loans towards MSMEs<sup>70</sup> that qualify on the basis of credible job creation programme such as programmes for employment of youth, underemployed people, or people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>Commercial development and private sector projects for carbon-intensive industries</li> <li>Institutions that are for-profit</li> </ul>

<sup>70</sup> Where MSMEs are as defined by this Framework.

## 4. Product scope and measurement basis

The below products are included within the scope of Barclays' sustainable and transition financing facilitated target of \$1trn between 2023 and the end of 2030. We include both new facilities and refinancing of existing facilities.

The products noted below are not exhaustive and new financing products which integrate ESG criteria and which will apply or align with relevant industry guidelines and standards (with a measurement basis relevant for that product) as determined by Barclays, may be developed and included as part of the target scope on an ongoing basis. In all cases, these will be subject to product governance processes and inclusion (including confirmation of relevant industry guidelines and standards and the measuring basis for that product) and will require approval from the Sustainability and ESG Team, Finance and Legal teams as well as the Sustainable Finance Management Team for the relevant business unit. Any such new financing products will be included as part of the target scope from the date of their approval.

Out of scope:

- Merger and acquisition advisory services;
- Assets under management in ESG Funds and Products<sup>71</sup>;
- Trading/Market making of securities/provision of price liquidity;
- Liquid financing of securities (prime/fixed income financing); and
- Derivatives products.

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<sup>71</sup> This does not prevent Barclays from financing ESG Funds and Products who only invest in eligible green or social activities under Sections 2 and/or 3 (as applicable) of this Framework.

Business unit	Product	Description	Relevant alignment frameworks <sup>72</sup>	Measurement basis
<b>CIB – Banking</b>	Debt Capital Markets (DCM)/ Leveraged Finance (LF)	Financials corporate, public sector issued Use of Proceeds (eligible green/ eligible social/ sustainability) bonds and government related development bank issuances	Barclays Sustainable Finance Framework ICMA Green, Social and Sustainability Bond Principles. CBI Climate Bond Standard	Proportional bookrunner share <sup>73</sup>
	Equity Capital Markets (ECM)	Initial public offerings (IPOs), follow-on offerings (FPOs), convertible bonds, at-the-market (ATM) transactions and ESG special-purpose acquisition company (SPAC) transactions	Barclays Sustainable Finance Framework	Proportional bookrunner share <sup>74</sup>
	Syndicated Loans	Loans for eligible green and social themes	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Green Loan Principles LMA/APLMA/LSTA Social Loan Principles	Proportional bookrunner share (limits at issuance and any subsequent increases)
	Private Capital Market (PCM)	Private placements for eligible social and green criteria	Barclays Sustainable Finance Framework	Proportional bookrunner share
	Commercial Mortgage Backed Securities (CMBS)	CMBS deals that have underlying eligible green assets that are LEED certified Underlying eligible social assets that qualify under affordable social housing criteria	Barclays Sustainable Finance Framework ICMA Sustainability Linked Bond Principles	Proportional bookrunner share
	Tax equity and tax credits	Provision of tax equity and/ or the purchase or facilitation of the transfer of tax credits in relation to eligible projects under this Framework	Barclays Sustainable Finance Framework	Tax equity investment value plus the value of tax credits transferred where Barclays either purchases the credits or facilitates such transfer
	Sustainability-Linked Loans (SLLs) <sup>75</sup>	Sustainability-linked financing instruments as described in Section 1 above	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Barclays' hold of the deal value (limits at issuance and any subsequent increases)

<b>Business unit</b>	<b>Product</b>	<b>Description</b>	<b>Relevant alignment frameworks<sup>72</sup></b>	<b>Measurement basis</b>
	Sustainability-Linked Bonds (SLBs)	Sustainability-linked financing instruments as described in Section 1 above	Barclays Sustainable Finance Framework ICMA Sustainability-Linked Bond Principles	Proportional bookrunner share
<b>CIB - Markets</b>	Municipal Financing	Municipal bonds with eligible social and/or green criteria Lending to Municipals and Social enterprises for eligible green and social activities	Barclays Sustainable Finance Framework	Proportional bookrunner share Limit at issuance (and subsequent increases)
	Structured Lending and Financing	Securitised products across asset classes including asset-backed securities, residential and commercial loan securitisation CRE Loans on green commercial properties Term lending or revolving credit facility with a dedicated purpose that falls within the green and/or social eligibility criteria Financing to entities (a) whose business mix is eligible as per this Framework or (b) for eligible green or social activities	Barclays Sustainable Finance Framework ICMA Green and Social Bond Principles CBI Climate Bond Standard	Proportional bookrunner share Limits at issuance (and subsequent increases) Total financing
<b>CIB – Corporate Banking</b>	Green Loans	Term lending or revolving credit facility with a dedicated purpose that falls within the green eligibility criteria	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Green Loan Principles	Limits at issuance (and any subsequent increases)
	Sustainability-Linked Loans (SLLs) <sup>76</sup>	Sustainability-linked financing instruments as described in Section 1 above	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Barclays' hold of the deal value (limits at issuance and any subsequent increases)

<sup>72</sup> One or more of the listed frameworks may be used in practice.

<sup>73</sup> Total deal value divided by total number of book runners, proportional on a pro rata basis.

<sup>74</sup> ESG SPAC transactions are only recognised at the time that vehicle merges with acquisition company.

<sup>75</sup> Sustainability-linked loans are originated in both the Investment Bank and the Corporate Bank.

<sup>76</sup> Sustainability-linked loans are originated in both the Investment Bank and the Corporate Bank.



<b>Business unit</b>	<b>Product</b>	<b>Description</b>	<b>Relevant alignment frameworks<sup>72</sup></b>	<b>Measurement basis</b>
	Green Trade Loans	Financial products that facilitate trade flows and transactions between importers and exporters across both domestic and international markets that falls within the green eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Green Bonds, Guarantees, and Indemnities (BGIs)	Binding commitments given by Barclays to support trading activities that falls within the green eligibility criteria	Barclays Sustainable Finance Framework ICMA Green Bond Principles	Limits at issuance (and any subsequent increases)
	Green Bill of Exchange and Promissory Note Discounting	Trade products which facilitate cash flow through the purchase qualifying trade debts by Barclays, at an agreed discount that falls within the green eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Green Selective Receivable Finance	Trade products which convert trade receivables from qualifying transactions into cash that falls within the green eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Green Import Letters of Credit	A written undertaking given by a bank on behalf of the importer to pay the exporter an amount of money within a specified time	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Green Asset Based Lending & Confidential Invoice Discounting	An effective means of supporting our customers by releasing money tied up in their sales ledger to provide working capital and fund business growth that falls within the green eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Sustainability-linked Bonds, Guarantees, and Indemnities	Binding commitments given by Barclays to support trading activities	Barclays Sustainable Finance Framework ICMA Sustainability-Linked Bond Principles	Limits at issuance (and any subsequent increases)
	Sustainability-Linked Trade Loans	Financial products that facilitate trade flows and transactions between importers and exporters across both domestic and international markets	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any subsequent increases)

<b>Business unit</b>	<b>Product</b>	<b>Description</b>	<b>Relevant alignment frameworks<sup>72</sup></b>	<b>Measurement basis</b>
	Sustainability-Linked Import Letters of Credit	A written undertaking given by a bank on behalf of the importer to pay the exporter an amount of money within a specified time	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any subsequent increases)
	Sustainability-Linked Bill of Exchange and Promissory Note Discounting	The purchase of qualifying trade debts by Barclays, at an agreed discount	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any subsequent increases)
	Sustainability-Linked Asset Based Lending & Confidential Invoice Discounting	An effective means of supporting our customers by releasing money tied up in their sales ledger to provide working capital and fund business growth	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any subsequent increases)
	Sustainability-Linked Supplier Finance	Means of incentivising suppliers to improve their sustainability performance based on predefined sustainability performance metrics and thresholds to promote the sustainability objectives of a client in its supply chain.	Barclays Sustainable Finance Framework LMA/APLMA/LSTA Sustainability Linked Loan Principles	Limits at issuance (and any subsequent increases)
	Infrastructure and Project Finance	Infrastructure Project Finance for eligible projects that fall within the green and social eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Public Sector Finance	Public sector lending that fall within the eligible social and green criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Other Green or Social Lending	Loans (includes any type of loan instrument to finance or re-finance) to entities whose business mix is eligible as per this Framework	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
<b>BUK – Business Banking</b>	Green Lending	Term lending with a dedicated purpose that falls within the green eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)

<b>Business unit</b>	<b>Product</b>	<b>Description</b>	<b>Relevant alignment frameworks<sup>72</sup></b>	<b>Measurement basis</b>
	Green Asset Finance Contracts Purchase	Purchase via a forward flow or receivables purchase arrangement of asset finance contracts in respect of assets that fall within the green eligibility criteria.	Barclays Sustainable Finance Framework	Offer price at purchase
	Other Green or Social Lending	Loans (includes any type of loan instrument to finance or re-finance) to entities whose business mix is eligible as per this Framework	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
<b>Consumer businesses</b>	Green Lending	Term lending with a dedicated purpose that falls within the green eligibility criteria	Barclays Sustainable Finance Framework	Limits at issuance (and any subsequent increases)
	Green Home Mortgage	Residential and BTL mortgage product that rewards customers for purchasing an energy efficient new build home. It offers a lower interest rate in comparison to the equivalent core range and is available to customers purchasing an EPC (energy efficiency) A or B rated new build home	Barclays Sustainable Finance Framework	Total mortgage lending (including any subsequent increases)
	Further Advance Mortgage Lending	Additional mortgage lending for assets that fall within the green eligibility criteria	Barclays Sustainable Finance Framework	Total further advance lending (including any subsequent increases)

## 4.1 Reporting overview

Public capital markets transaction data is collected from Dealogic and Bloomberg. Data for all other products is sourced from Barclays' internal lending systems.

Each relevant transaction is assessed against the eligible green and social criteria in this Framework by a dedicated team within our Global Finance function and, where applicable, against the relevant LMA/APLMA/LSTA or ICMA Principles.

All data is reviewed by business teams. We are continuing to invest in enhancing data capture and classification processes. This includes a dedicated team within our Global Finance function to continue to enhance processes, systems and controls for green and sustainable finance reporting as well as a detailed implementation handbook to support consistent assessment of eligible transactions. External progress reporting against our Target is subject to independent limited assurance. Eligibility for inclusion in a target is assessed based on information available at a point in time prior to reporting against progress in our Annual Report.

Barclays reports on progress against our financing Targets in the Annual Report on an annual basis. See <https://home.barclays/investor-relations/reports-and-events/annual-reports/>.

Our definitions, measurement methodology and controls for select ESG KPIs including our sustainable finance metrics can be found in the Barclays ESG Reporting Framework on our website: <https://home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/#additionalresources>.

# Disclaimer

Barclays Bank PLC and its affiliates (“Barclays”) note that there is currently no global framework or definition (legal, regulatory or otherwise) as to what constitutes, an “ESG” (Environmental, Social or Governance), “green”, “sustainable”, “climate-friendly” or an equivalently-labelled product, or as to what precise attributes are required for a particular investment, product or asset to be defined as “ESG”, “green”, “sustainable”, “climate-friendly” or such other equivalent label nor can any assurance be given that such a clear global definition or consensus will develop over time. As a result, Barclays is making this statement in order to assist its customers, potential customers and other third parties with regard to its own current position in view of the possibility of different interpretations of these terms for the purposes of tracking against its \$1trn Sustainable and Transition Financing target.

Any information contained or referred to herein, in relation to any actual or potential ESG objective, issue or consideration is not intended to be relied upon for EU Sustainable Finance Disclosures Regulation classification purposes, EU Taxonomy Regulation classification purposes, or equivalent classification regimes (“Classification Regimes”).

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Investors, users and other relevant persons are reminded that differences in interpretation are possible. Different persons (including third-party data providers, investors and other financial institutions) may apply different interpretations, standards and criteria, including through use of internal methodologies, and arrive at different conclusions. Investors, users and other relevant persons are advised to obtain their own independent financial, legal, regulatory, tax or other advice as necessary in order to make their own investment decision as to whether an index, investment, product or asset meets their ESG needs, including ESG performance, ESG alignment, and alignment to or compliance with any regulatory regime (including without limitation, the Classification Regimes).