

Barclays Group Statement on Modern Slavery

February 2019



Introduction

As one of the world's largest financial services institutions, we understand that we need to lead by example in the way we do business. All our colleagues at Barclays are unified by a common purpose and set of values which shapes the way we think, work and act to ensure we are helping people to achieve their ambitions – in the right way. This also means we aim to act fairly, ethically and openly in everything we do.

We are committed to combating the risk of modern slavery or human trafficking in our supply chains or in any part of our business. The requirements of the Modern Slavery Act 2015 (the Modern Slavery Act) reflect a drive to eradicate modern slavery in commercial organisations with operations in the United Kingdom. This is an important goal which has the full and unequivocal support of Barclays. Organisations operating in the financial services sector must not be complacent about the risk that some form of modern slavery could exist in a part of their supply chains or business.

This statement¹ covers our direct operations and supply chains. It also looks at the steps we are taking within our client and customer base in order to combat the risk of modern slavery and human trafficking in that area. You can access information on our approach to environmental and social risk management, human rights and anti-money laundering in our [Group Statement on Human Rights](#), [Statement of Anti-Money Laundering \(AML\) and Counter-Terrorist Financing \(CTF\) Policies and Principles](#) and [Environmental, Social Governance 2018 Supplement](#).

Our business

Barclays is a transatlantic consumer and wholesale bank offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in our two home markets of the UK and the US. Our ultimate parent company, Barclays PLC, is incorporated in England and it has subsidiaries in various jurisdictions. Details of our subsidiaries and the countries in which they are incorporated, as well as our businesses, are set out in our 2018 Annual Report.

As of 31st December 2018, we have 83,500 permanent employees operating across over 40 countries around the world, primarily in the UK, the U.S. and the Asia Pacific region.

Permanent employees by region:

	2018	2017	2016
United Kingdom	49,900	48,700	46,400
Continental Europe and Middle East	3,200	3,600	4,700
Americas	10,600	10,400	9,700
Asia Pacific	19,800	17,200	15,700
Africa	–	–	42,800
Total	83,500	79,900	119,300

Our policies on modern slavery and human trafficking

As a responsible corporate citizen we are committed to operating in accordance with the International Bill of Human Rights (comprising the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights). We also take into account the UN Framework and Guiding Principles and other internationally accepted human rights standards including the OECD Guidelines for Multinational Enterprises and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and other Core Conventions.

We embed our commitment into relevant policies and statements, which are instrumental in managing our approach to modern slavery risk and which have been amended to take account of the Modern Slavery Act, including:

- Our Code of Conduct “[The Barclays Way](#)”, which defines the behaviours, standards and actions required from all employees and constitutes a reference point covering all aspects of working relationships with employees, suppliers and other stakeholders. The Code reiterates Barclays’ commitment to operating in accordance to the Universal Declaration of Human Rights.
- Our [Group Statement on Human Rights](#), which outlines our commitment to respecting human rights across our business operations, supply chain activities, interactions with local communities, and provision of products and services for clients and customers.
- Our general employment policies and practices, which cover Barclays’ duties as an employer. We aim to ensure they are consistent with, or go further than, the Universal Declaration of Human Rights. We have also been a formally accredited Living Wage employer since 2013.
- Our [Statement of Anti-Money Laundering \(AML\) and Counter-Terrorist Financing \(CTF\) Policies and Principles](#) is designed to help us comply with the relevant requirements and obligations set out in UK legislation, regulations, rules and industry guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk of Barclays being used to facilitate financial crime. These policies are relevant because modern slavery offences are often linked to money laundering and other financial crimes.

Governance

This statement has been approved by the Barclays PLC Board of Directors. The Barclays PLC Board Reputation Committee supports the Board in promoting its collective vision of Barclays’ purpose, values, culture and behaviours. It reviews the management of conduct and reputational risk and oversees Barclays’ conduct in relation to its corporate and societal obligations, including setting the guidance, direction and policies for Barclays’ approach to customer and regulatory matters and reviews and approves Barclays’ approach to citizenship, environmental and social matters, including advising management on these matters.

¹ This statement has been approved by the Barclays PLC board of directors and is made according to the requirements of section 54 of the Modern Slavery Act 2015 for the financial year ending 31 December 2018. This statement applies to all companies within the Barclays group that are required to have a modern slavery statement.

At an operational-level, we established a cross-functional modern slavery working group in 2016 to more effectively coordinate our anti-modern slavery activities and reporting, as well as share knowledge on the topic. The working group includes stakeholders from across the business, including representatives from our legal, financial crime, procurement, and sustainability functions, as well as various client facing teams.

Engagement on modern slavery

We engage in dialogue with a range of stakeholders, including government, law enforcement agencies, non-governmental organisations, and other banks to share our expertise and better understand the role we can play in combatting modern slavery. We are one of only two banks that are members of the Home Office's 'Business Against Slavery' Forum, a partnership between UK Government and businesses aimed at accelerating progress toward eradicating modern slavery. We are active members of the working group that supports the Forum, and participated in consultations for the Home Office commissioned independent review of the Modern Slavery Act during 2018. We also participate in the Equator Principles Social Risks Working Group and the 'Thun Group', an informal group of European banks that are reviewing the implications of the UN Guiding Principles for Human Rights and Business for the financial sector.

Barclays is committed to helping its staff, clients and customers build their knowledge of the risks of modern slavery and the steps they can take to combat it. Activities in this area during 2018 included:

- Convening a conference "Unchaining Modern Slavery; what's your responsibility?" aimed at helping our corporate clients better understand the Modern Slavery Act and address modern slavery risks. The event included practical sessions from a range of legal,

business and NGO experts and was attended by 80 organisations across a range of sectors, including hospitality & leisure, retail, facilities management, construction and the public sector. Following the conference, we continued our engagement by publishing six LinkedIn articles on the topics discussed.

- Supporting Stop the Traffik in establishing a cloud-based Traffik Analysis Hub (TAHub) to rapidly analyse incidents of human trafficking across the world. The Hub brings together international law enforcement agencies, NGOs and financial institutions to share information on modern slavery typologies and financial indicators, which will be analysed through a data sharing hub using cutting edge artificial intelligence.
- Hosting the National Crime Agency's Invisible People photo exhibition at our corporate headquarters in London to raise awareness amongst colleagues. The exhibit depicted different examples of modern slavery in the UK, as well as guidance on how to spot the signs of human trafficking and how to report incidents.
- Continuing our partnership with the Joint Money Laundering Intelligence Taskforce (JMLIT) which assists both banks and law enforcement in filling intelligence gaps where suspected money laundering crosses multiple financial institutions.
- Launching of the Barclays Modern Slavery [video](#) displayed on screens in UK branches throughout Q4 2018, to raise awareness of slavery in the UK and alerting customers of how to 'spot the signs' within their communities.

Going forward we will continue to look for new opportunities to engage our clients and customers with a focus on those sectors that are most at risk of modern slavery and human trafficking.

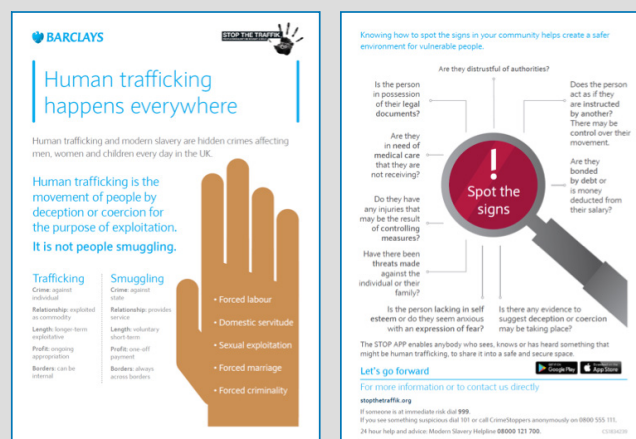
Leveraging our retail branch network to increase awareness on modern slavery

As community bankers, local Barclays colleagues are well placed to spot signs that customers may be being exploited by traffickers and other criminals involved in modern slavery. We focus on educating our branch staff in 'risk hotspot' areas in the UK to identify potential exploitation, as well as use our branches to raise awareness amongst the local community and provide a mechanism for victims and other people to report any suspicious activities.

Building on the success of the branch and community awareness raising events that we held in 2017 in Peterborough, this year we partnered again with Stop the Traffik, the Home Office and local police in both Wisbech, Cambridgeshire and in Croydon. These events focused on raising awareness amongst branch staff, customers, and the local community members on the signs to look out for and what to do if modern slavery is suspected. Our Wisbech branch was selected based on the concentration of Lithuanian workers in the area, who are considered vulnerable to exploitation in the local

agricultural industry. To more effectively target this particular group, our awareness raising activities and materials were delivered in both English and Lithuanian.

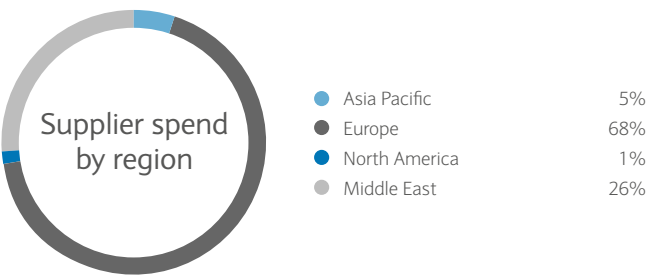
Examples of awareness raising materials published in our branches:



Our supply chain

With nearly 13,000 companies from more than 30 countries supplying us across a broad range of products and services, our supply chain helps us deliver services to all our customers, clients and colleagues. Our supply base is diverse, including start-ups, small and medium-sized businesses, businesses owned, controlled and operated by under-represented segments of society, as well as multinational corporations. Many of our direct suppliers have their own extensive supply chains, connecting us with thousands more businesses worldwide.

It is important that our suppliers share our commitment to human rights. With regards to modern slavery, our primary focus is on high risk areas of our supply chain, which include, but are not limited to, the manufacture of corporate uniforms, IT hardware and our sub-contracted workforce. Additionally, we are focusing on our operations in higher risk locations, particularly emerging economies and less developed countries.



Supplier risk assessment and due diligence

We have a robust process that aims to ensure we only work with appropriate suppliers who can meet the standards that we expect. We generally require suppliers to operate in accordance with our [Supplier Code of Conduct](#).² It outlines how we manage human rights in our supply chain by encouraging behaviours and practices consistent with our own policies and is owned by Barclays Chief Procurement Officer.

Our Supplier Code of Conduct makes specific reference to the International Labour Organisation Core Conventions and the Modern Slavery Act. Of particular relevance is the requirement for suppliers to support freely chosen employment: *work that is completed voluntarily and without slavery, servitude, forced or compulsory labour and human trafficking*. These obligations generally apply to supplier relationships regardless of the industry or geography in which they operate and our usual practice is to notify potential suppliers about this as part of our requirements before they submit a commercial bid.

Before entering into a relationship with a key supplier, Barclays will conduct appropriate due diligence. This may include, but is not limited to, reviewing copies of employment and health and safety policies and undertaking due diligence with the aim of establishing that the supplier does not have any association with modern slavery and that they have not been engaged in any activity with an adverse human rights impact.

If we do enter into a contract with a supplier, we apply our standard terms and conditions, which require suppliers to adhere to all applicable laws, including the conventions of the International Labour Organisation and the International Bill of Human Rights. Barclays generally requires that suppliers who are medium and high risk as they are material suppliers to Barclays must conduct an annual self-certification against our supplier code of conduct. High risk suppliers within this group are also subject to on-site audits every three years.

We have also worked to assess our supply chain specifically for modern slavery risks. Partnering with independent experts, we have reviewed our supplier population against risk indices such as country and sector risk of modern slavery in order to better understand where the greatest exposure to modern slavery risk is present amongst our tier one suppliers.

² Note: we do have relationships with financial institutions and market counterparties which, because of the nature of the services being provided (such as international account holding services), are not subject to our usual supplier on-boarding procedures and which are therefore not subject to the Supplier Code of Conduct.

Our customers and clients

We recognise that a significant area of risk from a modern slavery perspective can arise from the activities of our clients and customers. Barclays moves, lends, invests and protects money for our customers and clients on a worldwide scale with a strong presence in the UK and the US. We are aware that modern slavery and human trafficking can occur within any sector, however we have identified agriculture, retail, construction and hospitality and leisure as those most impacted within our Corporate Banking client base and are focusing engagement efforts accordingly. Within the retail bank, we have also identified regions of the UK that require close monitoring, due to their link with higher risk sectors such as agriculture.

Customer due diligence

Barclays Financial Intelligence Unit has bilateral partnerships in place with law enforcement agencies and Non-Governmental Organisations, through which we are applying a financial intelligence led, pro-active approach to retail bank customer due diligence.

Through this work, Barclays monitors suspicious behaviours and account activities and as a result has identified a number of relationships where behaviours and account activities indicate possible connections to sexual and labour exploitation (see case study below). We have an escalation policy in relation to these accounts, whereby suspicious activity reports are raised and details are passed on to law enforcement agencies. This work alerts these partners to suspected victims and perpetrators of modern slavery offences, and enhances understanding of emerging trends and indicators to assist us with typology development.

Intelligence-led approach to identifying exploitation

Criminals involved in modern slavery may use the products and services that banks provide to facilitate these criminal activities, for example booking flights to fly victims into the UK, as well as launder the proceeds of these activities.

To combat this, Barclays Financial Intelligence Unit has partnered with law enforcement agencies to develop specific account and behavioural typologies to track and identify potential suspicious activity of clients and customers. Last year, this work focused on identifying account activities that could be linked to sexual exploitation and human trafficking, which has led to around 427 customer accounts being exited and details passed to local law enforcement since the work was initiated in 2017.

Building on the success of this work, this year we partnered with the Construction Industry Training Board (CITB) and JMLT to develop a similar typology for identifying labour exploitation in the construction sector. This information is being passed to branch staff via targeted training sessions, to empower them to take action if they suspect modern slavery or human trafficking.

Whilst this project is still in its early stages, we have already exited eleven customer accounts that were identified as exhibiting suspicious activities. We are now working to develop a monthly report that will identify those customers and accounts whose activity indicates possible labour exploitation in the construction industry.



Client due diligence

We integrate human rights issues into our assessment of financial transactions and business relationships, and provide internal guidance for lending and relationship managers to facilitate this. Using the online human rights guidance tool (uneptoolkit.org/humanrightstoolkit) which we helped to develop in conjunction with other financial institutions participating in the former UNEP FI social issues advisory group, we provide guidance on: identifying potential human rights risk in lending and investing; assessing the materiality of the risk; and identifying possible risk mitigation opportunities.

We have general client due diligence processes in place to help combat the risk of clients being associated with modern slavery and human trafficking. Our KYC, Credit and Financial Crime teams review both new and existing clients by monitoring relationships for areas of risk or concern and by conducting media screenings for any adverse reports. Our policy is to escalate any cases which give us cause for concern from a human rights or modern slavery perspective, leading to further investigation by our dedicated Group Sustainability team or the Financial Intelligence Unit.

Addressing modern slavery risks in the palm oil sector

According to the US Government's annual [Trafficking in Persons Report](#), palm oil may be produced using forced or child labour in countries such as Indonesia, Malaysia and Myanmar. Modern slavery and other labour rights abuses in the sector are driven by transnational and domestic migration, as well as displacement of local farmers near plantations. Workers on these plantations are particularly vulnerable to modern slavery because of the isolation of palm groves.

In recognition of these human rights risks, as well as the environmental and climate change impacts associated with the sector, Barclays developed a Statement on Forestry and Palm Oil in 2018 outlining our expectations of clients on these issues. The Statement (which will be published in early 2019) includes specific expectations on human rights including: zero tolerance for forced labour and human trafficking, adherence to the principle of free

prior and informed consent, and adoption of a "no deforestation, no peatland development and no exploitation" policy.

Going forward we will further embed these expectations within our client due diligence processes and raise awareness on the issues amongst our frontline staff. In cases where credible human rights allegations or instances of non-compliance are identified we will escalate the issue to the appropriate business unit Transaction Review Committee and, if necessary, the Group Executive Committee and the Board Reputation Committee for a final decision. We prefer to engage with and support our clients in establishing responsible business practices that respect human rights. However, in cases where clients are unable or unwilling to comply with our requirements or agree to an action plan to address the issues, we will seek to exit the relationship.

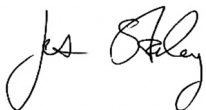


Training

We have an established modern slavery e-learning module that focuses on how we mitigate the risk of modern slavery and human trafficking in our supply chain, our client and customer base and direct operations. During 2018 we refreshed the module with updated real-life examples of how business can be exposed to modern slavery risks, as well as additional information on the evolving global regulatory landscape. The module is mandatory for all global procurement and events and hospitality colleagues.

Modern slavery content is also included in mandatory financial crime e-learning, which all Barclays staff complete on an annual basis. In addition, ad hoc face to face events and webinars are arranged by Financial Crime colleagues throughout the year for staff across the Barclays businesses and functions who wish to further their knowledge on this subject.

We also provide supplementary modern slavery training to all UK staff in prime position roles in the retail bank who may have touch points with traffickers and their victims. The training aims to develop their awareness of what constitutes criminal activity, the indications of this and how to report concerns of suspicious activity. This training is specifically tailored to the audience needs and has been delivered through different mediums depending on requirements to reinforce the 'Suspect it, Report it, Prevent it' message.



James E. Staley, Group Chief Executive
Barclays PLC
21 February 2019

Monitoring our effectiveness in combating modern slavery and human trafficking

In order to maintain high standards of integrity at Barclays, we encourage the principle of openness and speaking up to report instances where Barclays' Values are not being respected. We have robust whistleblowing procedures in place, through which stakeholders are free to raise concerns about the behaviour or conduct of Barclays' employees. Employees can do so via our "Raising Concerns" channel and suppliers and sub-contractors through a service called EthicsPoint. Both channels can be used in confidence and anonymously.

For our material suppliers, we also carry out annual checks to ensure continued adherence to these standards using a combination of detailed attestations and on-site visits. The attestations make specific reference to the Modern Slavery Act and the International Labour Organisation Core Conventions.

As a result of the Financial Intelligence Unit's work within the retail bank, Barclays has terminated relationships with 227 customers believed to be connected to human trafficking and sexual exploitation in 2018.

Conclusion

We recognise that the risks of modern slavery and human trafficking are complex and evolving. We will continue to work to address these risks in our business, supply chain, and customer and client base, and to engage with a range of stakeholders to enhance our approach and share our experiences.



John McFarlane, Chairman
Barclays PLC
21 February 2019

Appendix*

The Barclays Group Statement on Modern Slavery (the '2018 Modern Slavery Statement') covers the following subsidiary companies of Barclays PLC listed below:

- Barclays Asset Management Limited
- Barclays Bank PLC
- Barclays Bank UK PLC
- Barclays Capital Securities Limited
- Barclays Group Operations Limited
- Barclays Insurance Services Company Limited
- Barclays Investment Solutions Limited
- Barclays Mercantile Business Finance Limited
- Barclays Services Limited
- Clydesdale Financial Services Limited
- Eagle Financial and Leasing Services (UK) Limited
- Hawkins Funding Limited
- Long Island Assets Limited
- Mercantile Leasing Company (No.132) Limited
- Relative Value Trading Limited
- RVT CLO Investments LLP

The Barclays PLC subsidiaries listed above have adopted prior year versions of the Barclays Group Statement on Modern Slavery and intend to adopt the 2018 Modern Slavery statement before 30 June 2019, if on review and approval of their financial statements for the period 1 January 2018 to 31 December 2018 they continue to meet the qualifying criteria of the Modern Slavery Act 2015.

* Appendix added in May 2019