

PRE-ISSUANCE CLIMATE BOND CERTIFICATION

Verification Report for Pre-Issuance Certification for the Green Bond Program Issued by Barclays



SCOPE

Barclays commissioned ISS ESG to compile a Verifier's Report for Pre-Issuance Certification of its Green Bond Program by the Climate Bonds Initiative (CBI). The Climate Bonds Certification process includes verifying whether the provisions of the Climate Bonds Standard issued by the CBI are met and obtaining evidence to support the verification.

CRITERIA

Relevant CBI standards for this Climate Bonds Certification:

- Climate Bonds Standard (Version 3)
- Wind Criteria (Version 1.1)
- Solar Criteria (Version 2.1)
- Marine Renewable Energy Criteria (Version 1.2)
- Low Carbon Buildings Criteria (Residential) (Version 1)
- Low Carbon Transport Criteria (Version 2.0)

ISSUER'S RESPONSIBILITY

Barclays' responsibility was to provide information and documentation on:

- Selection of nominated projects & assets
- Technical aspects of projects & assets
- Internal processes & controls
- Proposed reporting

ISS ESG's VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Pre-Issuance Verification of the green bond issued by Barclays based on the Climate Bonds Standard V.3. limited assurance procedures in accordance with relevant assurance standards such as the International Standard on Assurance Engagements, ISAE 3000 revised - Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. ISS ESG's approach to assess whether the issuer's Green Bond meets the criteria of the Climate Bonds Standard V.3. is as follows:

- The issuer provided an overview over the assets to be included in the Green Bond asset pool and the relevant processes and documentation regarding the proceeds (e.g. use of proceeds, management of proceeds) to ISS ESG.
- The issuer filled in a questionnaire that covers all criteria of the Climate Bonds Standard V.3.
- The issuer provided background documents that elaborate further on the information mentioned in the questionnaire.
- Using the questionnaire and background documents, ISS ESG carried out an assessment of the CBI criteria. In case any answers were unclear, ISS ESG contacted the issuer for more details and clarification.

The engagement with Barclays took place in June – September 2022.

ISS ESG's BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

RESTRICTION ON DISTRIBUTION AND USE OF REPORT

This Verification Report for Climate Bonds Certification including all documentation provided alongside is intended for the use of Barclays and the Climate Bonds Standard Board. The present document may be published by Barclays, CBI and ISS ESG. CBI and ISS ESG agree to publish the report with the consent of Barclays.

OPINION

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects Barclays's Green Bonds Program is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.



ROBERT HÄBLER
ISS ESG
Munich, 13 September 2022

Disclaimer

Copyright © 2022 Institutional Shareholder Services Inc. (“ISS”). This document and all of the information contained in it is the property of ISS and/or its subsidiaries. The Information may not be reproduced or disseminated in whole or in part without the prior written permission of ISS. While we exercise due care in compiling this document, we assume no liability with respect to the consequences of relying on this information for investment or other purposes. ISS makes no express or implied warranties or representations with respect to the information.

About ISS ESG

ISS ESG is one of the world’s leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

Contact

Federico Pezzolato – SPO Business Manager
ISS Corporate Solutions, 1 London Bridge, London, SE1 9BG
tel: +44 (0) 203 192 5760
e-mail: SPO@isscorporatesolutions.com

ANNEX

Annex 1: Detailed Findings Climate Bonds Standard Pre Issuance Requirements

Annex 2: Detailed Findings Solar Power

Annex 3: Detailed Findings Wind Power (onshore)

Annex 4: Detailed Findings Fully Electric Vehicles

Annex 5: Detailed Findings Low Carbon Buildings (Residential)

Annex 6: Detailed Findings Wind Power (offshore)

ANNEX 1: DETAILED FINDINGS CLIMATE BONDS STANDARD PRE ISSUANCE REQUIREMENTS

1. USE OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1.	Documentation of nominated projects & assets assessed as eligible.	Details of the eligible projects are in the Annexes.	✓
1.2.	Net Proceeds are smaller than the Issuer's investment exposure to the Nominated Projects & Assets.	As of July 2022, the portfolio under verification is valued at approximately £354 million. £197m worth of Certified Climate Bonds have been issued to date ¹ . Barclays has a rigorous system in place to identify assets in its lending portfolio that can be eligible for Climate Bonds Certification. It continues to maintain the size of this verified lending portfolio to be larger than its total bond issuance.	✓
1.3.	No duplicate nomination of Projects & Assets to multiple Certified Climate Bonds or labelled instruments.	Barclays confirms that its control systems are in place to ensure assets are not nominated twice.	✓

2. PROCESS FOR EVALUATION AND SELECTION OF PROJECTS AND ASSETS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
2.1.	Decision-making process to determine eligibility of nominated projects & assets, including:	See below	N/A

¹ <https://home.barclays/investor-relations/fixed-income-investors/funding-and-liquidity/green-bonds/#greenstructuredandindexlinkednotes>

2.1.1.	Statement on the climate-related objectives of the Bond.	Barclays' objective for the issuance of the green bonds is to raise funds for new and existing projects which deliver environmental benefits and a more sustainable economy.	✓
2.1.2.	Climate-related objectives of the Bond in the context of the Issuer's environmental strategy and policies.	In 2020, Barclays committed to align all of its financing to the goals and timeline of the Paris Agreement. Its green bond issuances are part of its strategy to deliver on that commitment.	✓
2.1.3.	Issuer's rationale for issuing the Bond.	Barclays maintains a Green Bond issuance program to provide its bond investors an opportunity to support eligible green activities. Also, the pricing benefits of Green Bond issuances can be passed to the borrowers and developers of the eligible green projects.	✓
2.1.4.	Process to determine eligibility of Nominated Projects & Assets	<p>Barclays has developed an asset selection tool to identify assets which meet the CBI criteria. When necessary, the asset is reviewed by a Committee that include members from the Business, Treasury, Sustainability teams, Legal and Compliance.</p> <p>The asset will then undergo third party verification before it is entered in the nominated asset pool to be used for any subsequent Certified Climate Bond issuance.</p>	✓
2.2	Issuer should include under Clause 2.1 further aspects of the decision-making process, including:	See below	N/A
2.2.1	Related eligibility criteria to identify and manage potentially material ESG risks associated with the Nominated Projects & Assets.	<p>For this upcoming issuance, the relevant Climate Bonds Sector Criteria are:</p> <ul style="list-style-type: none"> ▪ Wind Criteria (Version 1.1) ▪ Solar Criteria (Version 2.1) ▪ Marine Renewable Energy Criteria (Version 1.2) ▪ Low Carbon Buildings Criteria (Residential) (Version 1) ▪ Low Carbon Transport Criteria (Version 2.0) <p>The Committee will consider any material negative ESG risks and potentially exclude them from</p>	✓

		nominated asset pool if necessary. Barclays has an overarching Enterprise Risk Management Framework, which covers social and environmental risks other than the environmental criteria eligibility of the assets.	
2.2.2	Green standards or certifications referenced in the selection of Nominated Projects & Assets.	The asset eligibility and selection process focuses on the Climate Bonds Criteria.	✓
2.2.3	The issuer shall assess all Nominated Projects & Assets meet the documented objectives in 2.1.1 and conform to the CBI eligibility requirements.	The eligibility of the nominated assets is confirmed in this verification report.	✓

3. MANAGEMENT OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
3.1	Systems, policies and processes around the management of Net Proceeds include:	See below	N/A
3.1.1.	Process around management of the net proceeds	On a monthly basis the ESG structuring team compares the issuance volumes to date with the total value of verified assets to confirm that asset volumes exceed bonds totals across the maturity horizon. Otherwise, the net proceeds are managed by Treasury as detailed in 3.1.2.	✓
3.1.2.	Management of unallocated Net Proceeds	Unallocated assets are maintained by Treasury as cash or cash equivalents according to Barclays' liquidity policy. Where possible, Barclays will invest in 'green' cash equivalents.	✓
3.1.3.	Earmarking process used to manage	There are processes in place to ensure that net proceeds are always smaller than the nominated	✓

allocation of proceeds and estimate of the share of the Net Proceeds being used for financing and refinancing.	asset pool, and that unallocated proceeds are managed transparently and in accordance with best market practice. Otherwise there is no special earmarking process.	
--	--	--


4. REPORTING PRIOR TO ISSUANCE

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
4.1	Issuer’s framework should include without limitations:	See below	N/A
4.1.1	Confirmation that bonds issued under the framework are aligned with the Climate Bonds Standard and other standards.	The Framework states its intention to align with the Climate Bonds Standard	✓
4.1.2	Summary of the use of proceeds and their contribution to the goals of the Paris Climate Agreement.	The Framework details the use of proceeds that are eligible for Climate Bonds Certification and their expected climate change impacts.	✓
4.1.3	Description of the decision-making process.	The Framework details the Sustainability Notes Committee, which is responsible for the asset selection process.	✓
4.1.4	Description of the relevant Sector Eligibility Criteria and any additional impact metrics.	The Framework does not provide substantial detail of the relevant sector criteria, however the details of the eligibility of the nominated assets are included in the Annexes of this verification report.	✓
4.1.5	Summary on the approach used to manage	The Framework details the approach used to manage unallocated net proceeds.	✓


	unallocated net proceeds.		
4.1.6	Intended approach to provide Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding.	The Framework details the issuer's annual update reporting commitments, which are in line with the requirements of the Climate Bonds Standard.	✓
4.1.7	List of proposed Nominated Projects & Assets associated with the Bond and the investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.	The Framework does not mention a list of nominated assets, however this information may be found in the Annexes of this verification report.	✓
4.1.8	An estimate of the proportion of financing and refinancing, and the expected look-back period for refinancing.	Due to the nature of the bank's issuance program, 100% of the proceeds will be used for refinancing of eligible borrowing. Barclays applies a lookback period of up to 36 months.	✓
4.2	Disclosure Documentation shall include:	See below	N/A
4.2.1	Investment areas, of the Nominated Projects & Assets	The Term Sheets detail the nominated use of proceeds categories.	✓
4.2.2	Temporary investment instruments for unallocated Net Proceeds	The Term Sheets details how unallocated proceeds will be temporarily managed.	✓
4.2.3	Verifier's engaged by the Issuer for the mandatory	The Verifier is ISS ESG	✓

	verification engagements.		
4.2.4	Intended approach providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding, including the location of the published documents.	The Term Sheets details the issuer’s annual update reporting commitments.	✓
4.2.5	CBI Disclaimer provided in the Certification Agreement	The Term Sheets include the disclaimer.	✓


ANNEX 2: DETAILED FINDINGS SOLAR POWER

	<p>The specified solar farms comply with the Solar Criteria (Version 2.2) of the Climate Bonds Standard.</p> <p>The bonds will finance and refinance a number of solar farms located across the UK and India.</p> <p>The issuer confirms that none of them have any fossil fuel generation backup.</p>
---	---

ANNEX 3: DETAILED FINDINGS WIND POWER (ONSHORE)

	<p>The specified wind farms comply with the Wind Criteria (Version 1.2) of the Climate Bonds Standard.</p> <p>The bonds will finance and refinance a number of wind farms located across the UK, India and Ireland.</p>
---	--

ANNEX 4: DETAILED FINDINGS FULLY ELECTRIC VEHICLES

	<p>The specified assets comply with the Low Carbon Transport Criteria (Version 2) of the Climate Bonds Standard.</p> <p>The proceeds from the bonds will finance and refinance wholesale stocking facilities for car dealerships in the UK, which are for wholly electric passenger vehicles.</p>
---	--

ANNEX 5: DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL)



The specified buildings comply with the Low Carbon Buildings Criteria (Version 1) of the Climate Bonds Standard.

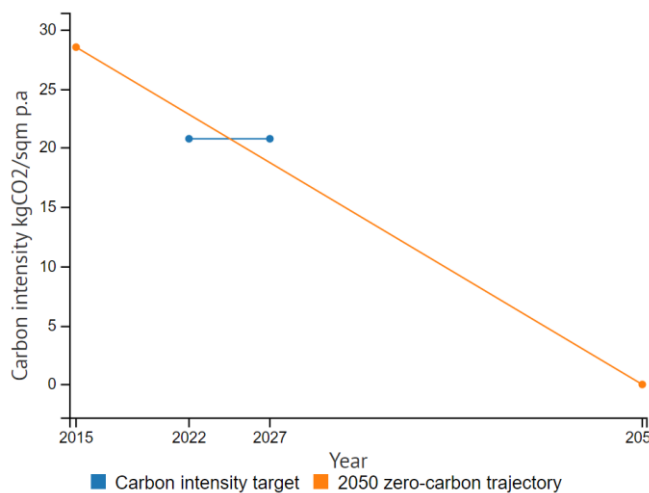
The bonds will finance and refinance 3 separate residential developments across England. These developments have been/will be completed in 2020, 2020 and 2023 respectively.

For the three developments, on a weighted average basis, the emissions intensities of the developments are as follows:

- A. 9.9 kgCO₂/sqm p.a.
- B. 12.16 kgCO₂/sqm p.a.
- C. 14.91 kgCO₂/sqm p.a.


For a 5 year bond issued in 2022, the relevant emissions threshold is 20.76 kgCO₂/sqm p.a., as seen in Figure 1. Therefore the 3 developments comply with the Low Carbon Buildings Criteria (Residential) thresholds² for England and Wales.

Calculated carbon intensity target **20.76** kgCO₂/sqm p.a.



² <https://www.climatebonds.net/standard/buildings/residential/calculator>

ANNEX 6: DETAILED FINDINGS WIND POWER (OFFSHORE)

	<p>The specified offshore wind farms comply with the Marine Renewable Energy Criteria of the Climate Bonds Standard.</p> <p>The bonds will finance and refinance 5 offshore wind farms and 2 offshore wind connections located across the UK.</p> <p>Details for the Disclosure component and Adaptation and Resilience components of the Criteria are given below.</p>
---	--

For Offshore Wind Farm A

Disclosure Component (for disclosure only; assessment is not required)

ITEM	FACTUAL FINDINGS
1	<p>Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.</p> <p>UK North Sea. Nearby ecosystems include Flamborough Head and Filey Coast SPA, Farne Islands SPA and Forth Islands SPA.</p>
2	<p>Projected lifespan of the asset/project.</p> <p>35 years</p>
3	<p>Key stakeholders involved, including other users of the area and surrounding area (sea, land or air) of the facilities.</p> <p>North sea pipeline owners & telecoms companies owning subsea fibre cables crossing the project's export cables, fisherman, local communities onshore along the onshore cable route.</p>
4	<p>Description of the project activities including details on installation, operation and decommissioning activities.</p> <p>Construction of an offshore wind farm</p>
5	<p>Expected/current facility capacity and generation during and after the life of the bond.</p> <p>1,200MW</p>
6	<p>Details of where the energy generated is being fed into, and estimated impact of the grid mix.</p> <p>National Grid onshore substation near Creyke Beck. Positive impact on grid mix expected as the project's output should displace fossil fuel generators.</p>
7	<p>Projected avoided GHG emissions compared to fossil fuel counterfactual</p> <p>Not been assessed yet</p>

	(in kgCO2e) using recognised conversion factors.	
8	The planning standards, environmental regulations and other regulations that the project has been required to comply with.	Development Consent Order standards, UK planning consent requirements

Adaptation and Resilience Component – Project A

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions	Design process takes into account the potential impacts of storm surges, sea level rises, earthquakes and changes in ocean temperatures (including the impact on sea water density). Environmental Impact Assessment (EIA) process includes identification of steps taken to mitigate flood risk onshore.	✓
2.1	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders	Extensive stakeholder engagement programmes, including any impacts on climate resilience of stakeholders, are required under the conditions of the EIA and DCO.	✓
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The public documents show that the Project is required to implement measures to address any climate risks highlighted in the EIA. Implementation details are included in the Environmental Management and Monitoring Plan	✓
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The ongoing maintenance contracts includes statutory inspections, regular maintenance and blade inspections, as well as for the foundations and subsea areas.	✓
4.1	Issuer is involved in stakeholder engagement and collaboration	An appropriate level of stakeholder engagement was undertaken during the EIA process, e.g. through communities and fisheries liaison activities. Consultation process within the EIA was documented within the Environmental Statement, and	✓

		the consenting process afforded extensive opportunity for stakeholder involvement.	
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the negative impacts	Habitats Regulation Assessment (HRA) is undertaken as part of the consenting process. No material issues were identified.	✓
5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	The scope of the Operations Management Agreement includes all waste management activities. The IEA includes a Chemical Risk Assessment & Waste Management Plan.	✓
5.3	The issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.	The Project is required to produce and adhere to a Marine Pollution Contingency Plan (MPCP). Onshore pollution prevention will be managed through the Construction Environmental Management Plan.	✓
5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	As part of the regulatory approvals, a decommissioning program was submitted and approved.	✓
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	500m safety zones around each turbine are in place to minimise disruption to mariners and other users of the sea. There are also hazard lights on the turbines, and a marine vessel co-ordinator to co-ordinate vessel movements in the area	✓

For Offshore Wind Farm B

Disclosure Component (for disclosure only; assessment is not required)

ITEM	FACTUAL FINDINGS
1 Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.	UK North Sea. Nearby ecosystems include Flamborough Head and Filey Coast SPA, Farne Islands SPA and Forth Islands SPA.
2 Projected lifespan of the asset/project.	35 years
3 Key stakeholders involved, including other users of the area and surrounding area (sea, land or air) of the facilities.	North sea pipeline owners & telecoms companies owning subsea fibre cables crossing the project's export cables, fisherman, local communities onshore along the onshore cable route.
4 Description of the project activities including details on installation, operation and decommissioning activities.	Construction of an offshore wind farm
5 Expected/current facility capacity and generation during and after the life of the bond.	1,200MW
6 Details of where the energy generated is being fed into, and estimated impact of the grid mix.	National Grid onshore substation near Creyke Beck. Positive impact on grid mix expected as the project's output should displace fossil fuel generators
7 Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO ₂ e) using recognised conversion factors.	tbc
8 The planning standards, environmental regulations and other regulations that the project has been required to comply with.	Development Consent Order standards

Adaptation and Resilience Component – Project B

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions	Design process takes into account the potential impacts of storm surges, sea level rises, earthquakes and changes in ocean temperatures (including the impact on sea water density). Environmental Impact Assessment (EIA) process includes identification of steps taken to mitigate flood risk onshore.	✓
2.1	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders	Extensive stakeholder engagement programmes, including any impacts on climate resilience of stakeholders, are required under the conditions of the EIA and DCO.	✓
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The public documents show that the Project is required to implement measures to address any climate risks highlighted in the EIA. Implementation details are included in the Environmental Management and Monitoring Plan	✓
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The ongoing maintenance contracts includes statutory inspections, regular maintenance and blade inspections, as well as for the foundations and subsea areas.	✓
4.1	Issuer is involved in stakeholder engagement and collaboration	An appropriate level of stakeholder engagement was undertaken during the EIA process, e.g. through communities and fisheries liaison activities. Consultation process within the EIA was documented within the Environmental Statement, and the consenting process afforded extensive opportunity for stakeholder involvement.	✓
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are	Habitats Regulation Assessment (HRA) is undertaken as part of the consenting process. No material issues were identified.	✓

	implemented to offset the negative impacts		
5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	The scope of the Operations Management Agreement includes all waste management activities. The IEA includes a Chemical Risk Assessment & Waste Management Plan.	✓
5.3	The issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.	The Project is required to produce and adhere to a Marine Pollution Contingency Plan (MPCP). Onshore pollution prevention will be managed through the Construction Environmental Management Plan.	✓
5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	As part of the regulatory approvals, a decommissioning program was submitted and approved.	✓
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	500m safety zones around each turbine are in place to minimise disruption to mariners and other users of the sea. There are also hazard lights on the turbines, and a marine vessel co-ordinator to co-ordinate vessel movements in the area	✓

For Offshore Wind Farm C

Disclosure Component (for disclosure only; assessment is not required)

ITEM	FACTUAL FINDINGS
1	Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.
2	Projected lifespan of the asset/project.

3	Key stakeholders involved, including other users of the area and surrounding area (sea, land or air) of the facilities.	North sea pipeline owners & telecoms companies owning subsea fibre cables crossing the project's export cables, fisherman, local communities onshore along the onshore cable route.
4	Description of the project activities including details on installation, operation and decommissioning activities.	Construction of an offshore wind farm
5	Expected/current facility capacity and generation during and after the life of the bond.	1,200MW
6	Details of where the energy generated is being fed into, and estimated impact of the grid mix.	National Grid onshore substation near Lackenby. Positive impact on grid mix expected as the project's output should displace fossil fuel generators.
7	Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO2e) using recognised conversion factors.	tbc
8	The planning standards, environmental regulations and other regulations that the project has been required to comply with.	Development Consent Order standards

Adaptation and Resilience Component – Project C

REQUIREMENT		FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions	<p>The assets have been designed using MetOcean data, which explicitly considers the impact of parameters such as rising sea levels and storm surges.</p> <p>Also, the Project has insurance policies to cover potential damage from adverse weather such as lightning and storm surges, - ensuring the assets can be repaired and continue to operate following an adverse weather event.</p> <p>The regulatory approvals confirms that the project has taken the appropriate considerations regarding climate adaptation,</p>	✓

		as laid out in the National Policy Statement for Renewable Energy Infrastructure.	
2.1	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders	The regulatory approvals require that the project take due consideration on its impacts on other stakeholders, during both the planning and operational stages. This includes extensive consultation with local communities and fisheries.	✓
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The public documents show that the Project is required to implement measures to address any climate risks highlighted in the EIA. Implementation details are included in the Environmental Management and Monitoring Plan	✓
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The Project will be subject to regular inspections during construction and operations. These inspections will cover both health and safety matters as well as equipment technical matters.	✓
4.1	Issuer is involved in stakeholder engagement and collaboration	Extensive consultation and disclosure occurred throughout the consenting process and is ongoing through the operational phase, for example through communities and fisheries liaison activities.	✓
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the negative impacts	The regulatory approvals confirmed that there should be no adverse effects on the integrity of six nearby Special Protection Areas (SPAs) and Special Areas of Conservation (SAC). This review considered the project's impact on ecology, fish and marine mammals.	✓
5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	Contractors will be contractually obliged to safely dispose of all waste. The lending arrangements also commit the borrower to comply with all applicable environmental laws and regulations.	✓
5.3	The issuer has recognized and listed the potential risks	During construction (i) specific measures will be employed to avoid spills and leakages &	✓

	for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.	<p>(ii) good construction and management of waste practices must be adhered to.</p> <p>During operations, the project will (i) securely store contaminative materials and adopt robust procedures to prevent, identify and report spills & (ii) regularly inspect hardstandings and oil separators.</p> <p>These measures are as required by the regulatory approvals.</p>	
5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	The latest decommissioning plan, as of 2021, is typical of a UK offshore wind farm, including those for Wind Farm A and B, where the structures above the seabed are removed, and the cables and substructures below the seabed are left after decommissioning. The developers of this wind farm have ample expertise from involvement in other prior wind farms.	✓
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	The Project will enter into Crossing Agreements with stakeholders with assets which will cross the project's export cables (e.g. pipelines and communications cables). These Crossing Agreements will require the project to act with due care, such as burying the export cables to a suitable depth to avoid ship anchors.	✓

For Offshore Wind Farm D

Disclosure Component (for disclosure only; assessment is not required)

ITEM		FACTUAL FINDINGS
1	Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.	The wind farm is located approximately 15km off Fife on the east coast of Scotland. The project is not in a Marine Protect Area. The Appropriate Assessment describes all local ecosystems and the assessed impacts

2	Projected lifespan of the asset/project.	25 years
3	Key stakeholders involved, including other users of the area and surrounding area (sea, land or air) of the facilities.	The Technical Report provided to Barclays by the borrower includes details on the stakeholders involved.
4	Description of the project activities including details on installation, operation and decommissioning activities.	The borrower has provided details of the projects' activities in the follow documents: Technical report: Construction methods Technical report: Operations and maintenance Technical report: Decommissioning
5	Expected/current facility capacity and generation during and after the life of the bond.	448MW
6	Details of where the energy generated is being fed into, and estimated impact of the grid mix.	The energy generated will be fed through an onshore transformer station at Crystal Rig II. The UK grid's average carbon intensity is 0.21kg CO2e/kWh. The impact on the electricity grid will be significant and positive in terms of displacing fossil fuel generation
7	Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO2e) using recognised conversion factors.	Projected avoided GHG emissions compared to the current average UK electricity emissions factor of up to 9.9MtCO2e, across the lifecycle of the project.
8	The planning standards, environmental regulations and other regulations that the project has been required to comply with.	Section 36 consent and Marine Licenses by Marine Scotland

Adaptation and Resilience Component – Project D

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions	The asset and planning will have to adhere to the National Planning Policy Framework, National Policy statements and Marine Policy Statement. These require assessments relating to climate change and changing marine conditions	✓

2.1	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders	The Environmental Impact Assessment includes impacts on the resilience of other stakeholders.	✓
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The public documents show that the Project is required to implement measures to address any climate risks highlighted in the EIA. Implementation details are included in the Environmental Management and Monitoring Plan	✓
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The borrower commits to inspections and audits on whether activities comply with the planned arrangements and whether these arrangements are implemented effectively.	✓
4.1	Issuer is involved in stakeholder engagement and collaboration	The Technical Report provided to Barclays by the borrower includes details on stakeholder engagement and collaborations.	✓
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the negative impacts	The Technical Report provided to Barclays by the borrower includes an analysis of the impact of the project on biodiversity and natural resources (from project design to dismantling).	✓
5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	These details are included in the Environmental Impact Assessment and Operations Management Agreement	✓
5.3	The issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.	These risks are mentioned as part of its Marine Pollution Control Plan	✓

5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	Details of appropriate decommissioning, is required and approved under the Section 36 consent letter ³	✓
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	The Technical Report provided to Barclays by the borrower includes details on the risk management plan and Health, Safety and Environmental Management Plan	✓

For Offshore Wind Farm E

Disclosure Component (for disclosure only; assessment is not required)

ITEM	FACTUAL FINDINGS
1	<p>Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.</p> <p>The Wind Farm is located 63km away from Carnoustie. The project is not in a Marine Protect Area. The EIA describes all local ecosystems and the assessed impacts</p>
2	<p>Projected lifespan of the asset/project.</p> <p>25 years</p>
3	<p>Key stakeholders involved, including other users of the area and surrounding area (sea, land or air) of the facilities.</p> <p>The borrower has transparently disclosed all relevant stakeholders through the Technical Report.</p>
4	<p>Description of the project activities including details on installation, operation and decommissioning activities.</p> <p>The borrower has provided details of the projects' activities in the following documents:</p> <p>Technical report: Construction methods Technical report: O&M Strategy</p>
5	<p>Expected/current facility capacity and generation during and after the life of the bond.</p> <p>1,140MW</p>

³ <https://www.legislation.gov.uk/ukpga/1989/29/section/36>

6	Details of where the energy generated is being fed into, and estimated impact of the grid mix.	The energy generated will be fed through an onshore transformer station at Crystal Rig II. The UK grid's average carbon intensity is 0.21kg CO2e/kWh. The wind farm's impact be significant and positive in terms of displacing fossil fuel generation
7	Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO2e) using recognised conversion factors.	Projected avoided GHG emissions compared to the current average UK electricity emissions factor of up to 26.6MtCO2e, across the lifecycle of the project.
8	The planning standards, environmental regulations and other regulations that the project has been required to comply with.	The borrower reports and has been issued with Section 36 consent and Marine Licenses by Marine Scotland.

Adaptation and Resilience Component – Project E

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions	The asset and planning will have to adhere to the National Planning Policy Framework, National Policy statements and Marine Policy Statement. These require assessments relating to climate change and changing marine conditions	✓
2.1	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders	The Environmental Impact Assessment includes impacts on the resilience of other stakeholders.	✓
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The public documents show that the Project is required to implement measures to address any climate risks highlighted in the EIA. Implementation details are included in the Environmental Management and Monitoring Plan	✓

3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The borrower commits to inspections and audits on whether activities comply with the planned arrangements and whether these arrangements are implemented effectively.	✓
4.1	Issuer is involved in stakeholder engagement and collaboration	The Technical Report provided to Barclays by the borrower includes details on stakeholder engagement and collaborations.	✓
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the negative impacts	The Technical Report provided to Barclays by the borrower includes an analysis of the impact of the project on biodiversity and natural resources (from project design to dismantling).	✓
5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	These details are included in the Environmental Impact Assessment and Operations Management Agreement	✓
5.3	The issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.	These risks are mentioned as part of its Marine Pollution Control Plan	✓
5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	Details of appropriate decommissioning, is required and approved under the Section 36 consent letter ⁴	✓
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	The Technical Report provided to Barclays by the borrower includes details on the risk management plan and Health, Safety and Environmental Management Plan	✓

⁴ <https://www.legislation.gov.uk/ukpga/1989/29/section/36>

For Offshore Wind Connection 1

Disclosure Component (for disclosure only; assessment is not required)

ITEM	FACTUAL FINDINGS
<p>1 Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.</p>	<p>The Triton Knoll (“TK”) OFTO project links the TK offshore wind farm in the North Sea to the National Grid transmission network.</p> <p>The assets broadly comprise of;</p> <ul style="list-style-type: none"> • Two Offshore Transformer Modules (OTMs) with monopile foundation structures • Two 220 kV offshore export cables • An onshore substation <p>The generation assets are not included .</p> <p>The TK offshore wind farm itself is located in the Greater Wash, about 20 miles off the coast of Lincolnshire, UK. The wind farm is connected to the National Grid Electricity Transmission substation at Bicker Fen via 50km offshore circuits, 57km onshore circuits and the TK onshore substation near Bicker Fen.</p> <p>The OFTO assets are located within a number of environmentally sensitive and designated areas, including Inner Dowsing Race Bank and North Ridge Special Area of Conservation (SAC) which is designated for the presence of benthic reef features which are afforded special protection. Potential impacts on these sites have assessed in accordance with UK and EU environmental law. Conditions within the transferring consents establish obligations to manage risks in accordance with legislation throughout the lifetime of the OFTO assets.</p>
<p>2 Projected lifespan of the asset/project.</p>	<p>Design life of 25 yrs</p>
<p>3 Key stakeholders involved, including other users of the area and surrounding area (sea, land or air) of the facilities.</p>	<ul style="list-style-type: none"> • TK Offshore Windfarm • NGESO/NGET • OFGEM & BEIS • Crown Estate • Marine Management Organisation • Boston Borough Council

<p>4 Description of the project activities including details on installation, operation and decommissioning activities.</p>	<p>Operation, maintenance, lifecycle activities & decommissioning of the transmission assets linking TK Offshore windfarm to the UK Transmission network</p>
<p>5 Expected/current facility capacity and generation during and after the life of the bond.</p>	<p>Transmission Entry Capacity is 824MWs – note the OFTO is not the generator but the owner of the transmission assets.</p>
<p>6 Details of where the energy generated is being fed into, and estimated impact of the grid mix.</p>	<p>Onshore Grid entry point is the Onshore NGET substation at Bicker Fen</p>
<p>7 Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO2e) using recognised conversion factors.</p>	<p>N/A – as these are not Generation assets.</p>
<p>8 The planning standards, environmental regulations and other regulations that the project has been required to comply with.</p>	<p>Following consents will be transferred to the OFTO</p> <ul style="list-style-type: none"> • Development Consent Order (DCO) /2014/00013 Development Consent Order Triton Knoll Electrical System (S.I. 2016/880) (the OFTO DCO) • Deemed Marine Licence Variation 1 (13 December 2018) (the OFTO dML) • Planning permission (30 September 2019, B/19/0281) granted by Boston Borough Council <p>The following consents will be shared with TK offshore wind farm:</p> <ul style="list-style-type: none"> • the DCO/2013/00004 Development Consent Order Triton Knoll Offshore Wind Farm (S.I. 2013No. 1734) and the deemed Marine Licence for the generation assets (annexed to the DCO). <p>In addition, TKOWFL was awarded a number of planning permissions that run with the land, for works outside of the DCO consent boundary</p>

Adaptation and Resilience Component – Wind Connection 1

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions	The Development Consent Order requirements and EIA includes details on these risks.	✓
2.1	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders	The project planning and operations are in compliance with the Development Consent Order and EIA requirements regarding impacts on the resilience of other stakeholders.	✓
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The environmental and consents management systems are in compliance with legal requirements regarding adaptations to climate risks.	✓
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The plans have OPEX budgets which include allocation for such inspections.	✓
4.1	Issuer is involved in stakeholder engagement and collaboration	The owner of the transmission assets, ie the borrower, is mostly engaged with Ofgem, the UK regulator, in the process of acquiring the assets from the original developer of the assets. Other stakeholders include National Grid. N/A	✓
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the negative impacts	The UK Government team responsible for such assessments has concluded that the project would not have any adverse impacts on the integrity of nearby ecosystems in the North Sea.	✓

5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	The project is in compliance with regulatory requirements around waste management	✓
5.3	The issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.	The Development Consent Order includes planning for such risks. The company will use appropriate monitoring equipment for early warning	✓
5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	The Decommissioning Plan has been developed in accordance with the requirements of the Energy Act 2004 and will be updated with evolving regulatory requirements	✓
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	<p>The project includes burying the cable at appropriate depths to avoid net snagging and anchor drag issues</p> <p>There are agreements with other cable or pipeline companies to avoid crossovers.</p> <p>These are in compliance with Marine License obligations</p>	✓