



# Defence and Security Statement

December 2025

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## About this document

This statement sets out our position and approach in relation to the *Defence and Security sector*.

The application of the provisions in this statement is subject to compliance with applicable laws and regulations, which may change from time to time.

December 2025

## Introduction

Barclays' Purpose is to work together for a better financial future for our customers, clients and communities. Our Purpose informs our overall business strategy.

Barclays provides *financial propositions* to a range of defence companies including those that supply NATO. As NATO, the EU and UK seek to urgently increase their defence capabilities in response to increasing geopolitical threats, the provision of *financial propositions* to the defence sector is becoming increasingly important.

The *Defence and Security sector* is broad and includes companies undertaking a wide range of activities (e.g. communications systems, Artificial Intelligence (AI) and cyber security), alongside traditional defence companies. Whereas Defence companies traditionally focused on the manufacture of military hardware (e.g. vehicles, weapons systems and communications equipment), which have significant barriers to entry and long lead times, recent attention and funding have shifted towards software-based solutions and low-cost platforms such as Unmanned Aerial Vehicles (UAVs or drones). This dynamic has significantly expanded what can be considered a defence-related company and is further complicated by expanding 'dual use' technologies with both civilian and military applications.

The defence sector is fundamental to our national security and decisions on the implementation of arms embargos to other nations are the job of respective elected governments. Notwithstanding, Barclays remains thoughtful and gives careful and appropriate consideration to business relationships we have with all our clients, which includes clients operating in the *Defence and Security sector*, seeking to ensure that any *financial proposition* provided is consistent with our Purpose.

We recognise that various types of defence equipment are considered necessary for achieving internationally accepted goals, such as legitimate national defence and security purposes as set forth in the Charter of the United Nations, or peacekeeping missions. At the same time, we also recognise that the *Defence and Security sector* involves equipment and activities that have the potential to lead to significant impacts on individuals, communities and the broader geopolitical landscape.

Our approach to risk management in providing *financial propositions* to clients in the *Defence and Security sector* is underpinned by our adherence to applicable laws and regulations. We assess each proposal on a case-by-case basis and legal compliance alone does not automatically meet our requirements for support.

## Scope of statement

This statement covers the provision of *financial propositions* to clients operating in the *Defence and Security sector*.

For the avoidance of doubt, this statement does not apply to situations where Barclays may hold or trade shares of listed companies operating in the *Defence and Security sector* in response to client instruction, client demand or for Barclays' own risk management purposes.

Words in *italics* are defined in the Key Definitions table and clarify the intended scope of this statement.

## Approach to Enhanced Due Diligence

We conduct Enhanced Due Diligence (EDD) on a case-by-case basis on clients in scope of this statement. This approach is risk-based and assesses specific risk considerations, in addition to the below restrictions which may include, but are not limited to:

- I. In cases where clients or transactions are exporting equipment, the status of the exporter (including confirmation of the appropriate export licence when appropriate) and the importing /exporting country (for example, whether the importing country is considered a conflict zone).
- II. The nature of the equipment and its likely use, including any potential for it to be on-sold to another end-user or to be adapted for offensive application.
- III. The potential risks associated with clients' use of any third parties or agents in the course of its business to assist with the gaining of particular contracts.
- IV. Clients' association with controversial or prohibited weapons banned by international treaty agreements.
- V. Any adverse media identified relating to the conduct of the client and / or their defence products or services.
- VI. The human rights track record of the client, their counterparties, or the region(s) within which they operate.
- VII. Compliance with applicable laws and regulations.
- VIII. Potential risks of the exports being used to support intrastate oppression or unjustified external aggression.

## Restrictions

- We will not provide any *financial proposition* to companies known to trade in, or manufacture cluster munitions and their material components in violation of the International Convention on Cluster Munitions.
- We will not provide any *financial proposition* to companies known to trade in, or manufacture, chemical and biological weapons.
- We will not provide any *financial proposition* to companies known to trade in, or manufacture, landmines in violation of the Anti-Personnel Landmines Convention or any equipment designed to be used as an instrument of repression or torture, in violation of the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.
- We will only *directly finance* the manufacture of, or trade in, nuclear weapons if it is authorised by the government of the US, UK or France and is compliant with applicable legislation.

## Referral and Escalation Procedure

We assess the risk of client relationships, and associated transactions, through EDD and escalate to the relevant business review committee, where appropriate, for consideration and a decision on whether to proceed if transaction related.

Should the issues be assessed as presenting material reputational risk they would be escalated to the Group Reputation Risk Committee, which comprises members of the Group Executive Committee.

## Governance

Any review of this statement will be undertaken by the Barclays Group Sustainability Committee with escalation to the Barclays Board Sustainability Committee or Barclays PLC Board (as appropriate).

## Third Party Data

To the extent this statement requires the assessment of a client's activities, we rely primarily on publicly available information or information provided by third party data providers (including aggregators of public data). We note, however, that such data/information can be challenging to obtain, verify and assess. Where data is not available or is not of a reliably high quality, this may impact our ability to apply restrictions and other provisions set out in this statement. Barclays shall have no liability for any errors or omissions in connection with any third-party data which it relies on and considers to be credible.

## Key Definitions

<b>Term</b>	<b>Definition</b>
<b>Defence and Security sector</b>	Defence and Security sector includes, but is not limited to, companies operating in the following sectors: military hardware such as vehicles, arms, and munitions; related military services such as defence systems; military ancillary products such as ammunition launchers; security products and services such as armed security, surveillance, or riot control equipment; military IT equipment and support services such as military electronics and logistics; certain types of private prisons and immigration centres; and civilian and sporting firearms.
<b>Directly finance</b>	Refers to project finance, or other lending/underwriting or the arrangement and distribution of debt or equity, where the use of proceeds is known to be for a particular project.
<b>Financial proposition</b>	Refers to financial services including but not limited to banking, advisory or investment services.