Responsible Investing Policy

(Discretionary Portfolio Management)

March 2024

BARCLAYS | Private Bank

Contents

Please note, this policy has been prepared by Barclays Private Bank Investment Management in relation to Discretionary Portfolio Management services offered across the Private Bank businesses[1]. References to "us", "our" or "we" should be read accordingly; references to "Private Bank" mean the Barclays Private Bank businesses and do not include the UK Wealth Management & Investments business. References to "Barclays" include any entity within the Barclays group of companies.

[1] This means businesses in Ireland, London, Jersey, Guernsey, Isle of Man, Switzerland, India, Dubai, Monaco and Singapore. The exception is India where we offer strategies developed for the local market. ESG integration and engagement and voting are not undertaken in India.

Introduction

Barclays Private Bank provides comprehensive specialist investment, banking, lending and wealth advisory solutions to some of the world's most influential people and their families in the primary global wealth hubs and corridors.

Leveraging over 330 years of Barclays' experience, we surround clients with a team of trusted advisers and specialists who draw on their expertise to connect them to insights and opportunities from across Barclays. Based on our deep understanding of them, their families, and businesses, we tailor opportunities to support our clients' unique ambitions, enabling them to invest in the future, and influence tomorrow with confidence.

Whatever our clients' aspirations, we strive to realise their wealth's potential over the long term, and we believe that Responsible Investing supports that aim. Our core objective is to seek to deliver competitive investment returns for our clients.

On 1 May 2023, Barclays completed the transfer of its UK Wealth Management & Investments business to sit alongside the Private Bank. Please note this policy does not apply to the UK Wealth Management & Investments business.

ABOUT THIS POLICY

The purpose of this policy is to explain Barclays Private Bank Investment Management's approach to Responsible Investing and how we incorporate Responsible Investing considerations across our Discretionary Portfolio Management (DPM) strategies.

Barclays Private Bank Investment Management operates within the governance structure of the combined Barclays Private Bank and Wealth Management & Investments business and is the business unit responsible for the DPM services offered across the Private Bank (with the exception of services managed in India)[2]. Our DPM strategies include:

Traditional strategies

- Global Multi-Asset Class strategies
- Equity strategies
- Fixed Income strategies

Sustainable strategies

- Multi-Asset Class Sustainable Total Return Strategy
- Sustainable Global Equity Strategy

Whilst we incorporate the same approach in each of our discretionary strategies across the jurisdictions that are in scope of this policy, we may have portfolios, that are generally client-driven with specific requirements, where we need to vary our approach to our core strategies.

Please note the Global Multi-Asset Class strategies include a strategy which invests principally in direct securities and a strategy that invests in only third-party funds. Our approach to third-party fund manager selection is covered from page 19.

We will review this policy on an annual basis and may also update it on an interim basis if appropriate. This policy is accurate as of March 2024.

[2] In India we offer strategies developed for the local market. ESG integration and engagement and voting are not undertaken.

Responsible Investing – our philosophy

At Barclays Private Bank, all of our DPM strategies seek to deliver competitive investment returns for our clients and to create long-term value for stakeholders. We believe that Responsible Investing helps us achieve this.

As a long-term investor, we believe material Environmental, Social and Governance (ESG) issues can impact portfolio returns, and so are relevant considerations in managing risk effectively and delivering successful investing outcomes for our clients.

Understanding how businesses are, for example, impacting the environment, engaging with employees and key stakeholders, and practicing good governance helps us understand how well these businesses are positioned, now and for the future. As such, we believe ESG issues, where material, cannot be separated from investment decisions.

For us, Responsible Investing means integrating material ESG considerations (among others) into our investment decisions and fulfilling our stewardship responsibilities through engagement and voting.

Broadly speaking, we:

- aim to identify, manage and mitigate ESG risks that could impact the financial or operational performance of a business such that we think they may materially impact long-term investment returns
- believe ESG risks can also be mitigated and monitored through our stewardship practices
- regard Responsible Investing as an integral element in meeting our fiduciary duties towards our clients.

These beliefs align with Barclays' values of Respect, Integrity, Service, Excellence and Stewardship which apply across the Barclays Group, including the Private Bank.

Governance and oversight

Barclays Private Bank has an evolving governance structure that helps to ensure that our Responsible Investing policy is developed and implemented in an aligned and consistent way across DPM.

Accountability for all investment management activities, including Responsible Investing, lies with our Global Head of Investments Private Bank and Wealth Management. In Barclays Bank Ireland PLC, this responsibility lies with the Head of Investments, Private Bank Europe.

Our DPM team is responsible for integrating ESG considerations into the investment process for our DPM strategies. In this work, they are supported by a dedicated Responsible Investing team that helps guide on practices for ESG integration and stewardship in our investment decision-making process.

For further information about these processes, please refer to the sections labelled 'ESG Integration' and 'Stewardship' below.

Our Head of Responsible Investing is accountable for approving the Responsible Investing policy.

The following is a summary of our key oversight bodies with other meetings covered elsewhere in the policy:

PRIVATE BANK AND WEALTH MANAGEMENT – MANAGEMENT FORUM

Our Private Bank and Wealth Management – Management Forum[3] comprises the Private Bank and Wealth Management CEO, the Global Head of Investments Private Bank and Wealth Management and other senior management. The Forum is responsible for setting and ensuring the effective execution of the Barclays Private Bank and Wealth Management business strategy, inclusive of oversight of our Responsible Investing vision and goals. The Forum generally meets monthly.

[3] The first meeting took place in March 2024 and prior to this, the meeting was the Private Bank Management Forum.

PRIVATE BANK AND WEALTH MANAGEMENT RESPONSIBLE INVESTING AND CLIMATE CHANGE FORUM

The Responsible Investing and Climate Change Forum, chaired by the Global Head of Investments Private Bank and Wealth Management, meets quarterly, and provides an advisory forum for senior management to review, develop and monitor the Private Bank and Wealth Management Responsible Investing and Climate strategies and initiatives.

The key objectives of the Responsible Investing and Climate Change Forum are to:

- address the Private Bank and Wealth Management objectives of aligning its Responsible Investing approach to market practice
- be responsive to client and business development demand for Responsible Investing related matters
- help oversee compliance with regulatory requirements.

The Forum invitees include the Head of Responsible Investing Private Bank and Wealth Management, the Head of Discretionary Product Management, the Head of Sustainable Portfolio Management, the Head of Multi-Asset DPM, the Head of Single Asset DPM, senior portfolio managers and members of the Responsible Investing team.

The Forum is required to report and escalate recommendations and conclusions to the Private Bank and Wealth Management – Management Forum as appropriate.

PRIVATE BANK AND WEALTH MANAGEMENT RESPONSIBLE INVESTING AND SUSTAINABILITY GOVERNANCE FORUM

The Responsible Investing and Sustainability Governance Forum, chaired by the Private Bank and Wealth Management Head of Responsible Investing, meets quarterly, and provides a platform for members to review, develop and monitor the Private Bank and Wealth Management Responsible Investing approach.

The key objectives of the Responsible Investing and Sustainability Governance Forum are to:

- enable dialogue and debate about key ESG topics and issues which form the basis of the Private Bank and Wealth Management approach to Responsible Investing
- review the approach to ESG integration across investment products, ensuring consistency in approach where possible
- review the approach to stewardship (engagement and voting).

The Forum invitees include the Head of Discretionary Product Management, the Head of Sustainable Portfolio Management, the Head of Multi-Asset DPM, the Head of Single Asset DPM, members of the investment teams, members of the Responsible Investing team, and key representatives from the Legal and Compliance functions.

The Forum is required to report and escalate recommendations and conclusions to the Responsible Investing and Climate Change Forum as appropriate.

ESG integration

OUR APPROACH

We have categorised our DPM strategies as Traditional and Sustainable based on the differences in approach to ESG integration.

Our Traditional strategies:

- maintain a set of exclusions that do not allow us to invest in businesses we view as being involved in the manufacture of controversial weapons, as outlined in the section labelled 'Exclusions'
- incorporate material ESG considerations as part of the investment process to help mitigate risks.

Our Sustainable strategies:

- maintain a set of exclusions that do not allow us to invest in entities we view as being involved in the manufacture of controversial weapons, in addition to further exclusions, as outlined in the section labelled 'Exclusions'
- identify entities that we believe are able to mitigate ESG risks from an investment perspective and also demonstrate high standards of non-financial ESG quality (e.g. high quality environmental standards, safe working environment)
- identify entities that through their economic activities contribute to at least one of the United Nations' Sustainable Development Goals (UN SDGs)[4] and screen out entities whose practices, on balance, materially conflict with the UN SDGs (please refer to page 17 for more information on the screening process).

[4] https://sdgs.un.org/

ESG DASHBOARDS

In order to integrate ESG considerations into our investment process for our Global Multi-Asset Class strategies and Equity strategies (Traditional strategies) and our Multi-Asset Class Sustainable Total Return Strategy and Sustainable Global Equity Strategy (Sustainable strategies), the DPM investment team uses proprietary ESG dashboards that incorporate ESG metrics from third-party providers.

These dashboards have been developed by our investment team to guide their qualitative analysis on material ESG issues for consideration in their investment decision-making and monitoring process. Our investment team generally aims to create ESG dashboards for each equity and fixed income holding prior to inclusion in these strategies, and as further described below.

Environmental metrics: The dashboard incorporates environmental metrics, such as carbon, water and waste efficiency. This helps us determine the resource-intensity of a company. It also helps highlight any potential vulnerability to the future cash generation of the company, particularly in light of regulatory pressure regarding climate change.

Social metrics: The dashboard incorporates social metrics related to the workforce, social issues and controversies. Where possible, we also look at employee turnover, diversity and inclusion, disputes and human rights issues. This helps us to identify controversial business practices and assess the quality of the management team.

Governance metrics: The dashboard incorporates governance metrics and data related to governance practices, such as board composition, shareholder structure, management incentives and accounting quality. We look for companies that publish unqualified and independently audited financial accounts, have independent board members across different committees, and a share structure that is not to the long-term detriment of minority shareholders. This helps us assess a company's management structure.

We believe effective and robust management structures help to minimise the risks of conflicts of interest, fraud or corruption whilst simultaneously ensuring effective accountability. They also ensure that shareholders, as well as minority rights and interests, are treated fairly and minimise the risk of shareholder revolt or very severe controversies. We also assess any material controversies related to tax. Finally, we look at executive compensation and any meaningful shareholder dissent over pay.

We will seek to continue to develop our dashboards as more data and research becomes available.

ONGOING MONITORING

Our portfolio managers monitor ESG considerations on an ongoing basis using a four pillar process which is outlined below. We focus on key material ESG issues for all strategies and for our Sustainable strategies, we also monitor whether they negatively impact the investment's sustainability profile. Portfolio managers may take several actions in order to improve their understanding of information and attempt to drive improvement. These can include:

- Sourcing additional information from third-party sources or directly with the entity; and/or
- Using voting and engagement actions through our stewardship services provider, EOS at Federated Hermes (EOS)[5] (see page 23); or
- as a last resort, we may choose to exit and sell the position if we consider this necessary and appropriate based on the circumstances.

Third-party controversy alerts: These alerts include new controversies related to an entity and new information regarding an existing controversy. The portfolio manager is alerted to controversies as they occur, and they are discussed within periodic ESG meetings. If the portfolio manager deems the controversy to be material, then appropriate action will be taken.

Principal Adverse Impact (PAI) forum: On a quarterly basis, an assessment is undertaken into the chosen and mandatory PAI indicators outlined in the EU Sustainable Finance Disclosure Regulation. PAI indicators aim to show the most significant negative impacts of investments on the environment and people. Investments that have seen a material deterioration in a PAI indicator are referred to portfolio managers for further consideration on the appropriate action to take. The PAI indicator data is based on investments held in Ireland booked DPM portfolios only, but we will consider action in all locations where these investments are held.

ESG/Sustainability watchlists: An ESG watchlist is maintained by our ESG analysts which includes areas and items of ESG considerations across each investment strategy. This list is monitored and maintained on an ongoing basis and informs a deeper analysis of any material ESG issues identified, which is discussed at periodic ESG meetings with portfolio managers. Items on the watchlist may trigger engagement actions. A separate Sustainability watchlist, produced by our ESG analysts, is also monitored at the Sustainability Assessment Meeting, which includes potential risk areas that may impact the overall sustainability assessment of an investment.

Stewardship meetings: These meetings take place on a quarterly basis with portfolio managers and our Responsible Investing team, to monitor progress made by our stewardship services provider on material engagement areas and highlight new engagement areas to portfolio managers. Portfolio managers use this meeting to raise new items where they wish to engage with entities. Based on progress made through engagement, portfolio managers may choose to use voting actions in an attempt to drive improvement, or they may choose to exit and sell the position if it is believed there is a material risk to the investment case.

[5] https://www.hermes-investment.com/uk/en/institutions/eos-stewardship/

ESG INTEGRATION IN TRADITIONAL STRATEGIES

Equity strategies

The analysis and integration of material ESG issues as part of our investment due diligence help us to identify key foreseeable risks that may have a financial impact on the businesses in which we seek to invest.

We believe that companies with better ESG characteristics make more efficient use of environmental resources and have better human capital development and/or better governance practices, to name a few examples, which may impact their ability to better manage risks. We believe ESG issues are highly contextual in nature and must be assessed for each equity investment. What may be relevant ESG data for one industry or company, may not be relevant for another.

Our proprietary dashboards help the Equity investment team to identify and integrate ESG considerations as part of their investment due diligence for each of the companies held in our Equity strategies. The dashboards take into account a range of ESG data points and metrics that the Equity investment team analyses on a case-by-case basis, depending on the company under review.

Integrating the use of ESG data in our investment due diligence allows us to better understand how a company is positioned to navigate the risks that ESG considerations pose to future cash flow generation. The dashboards help us to gain a better understanding of the operational quality of the company, whilst also directing in-depth analysis of the issues that we think matter. This approach enables us to focus on the ESG risks that we view as being most important to a company's financial performance and long-term portfolio returns.

The Equity investment team may also use company and industry reports to inform their due diligence and monitor for ESG-related controversies.

Fixed Income strategies

The Fixed Income investment team uses quantitative screening to incorporate material ESG considerations into our investment process for corporate and sovereign, supranational and agency (SSA) issuers in our Fixed Income strategies. Where an issuer does not pass our quantitative screening, further qualitative analysis may be undertaken in instances where we believe that the third-party data requires further investigation.

The integration of material ESG issues into our investment process helps us to identify key foreseeable risks that may have a financial impact on the issuer. To this end, the Fixed Income investment team has developed a proprietary quantitative scoring framework that combines the traditional third-party credit rating of an issuer with its third-party assigned ESG rating, among other factors. The output of this process helps to identify issuers that satisfy the Fixed Income investment team's criteria on all factors, including credit risks and ESG risks.

The quantitative framework incorporates data points from multiple third-party data providers to derive an overall score for each issuer from the investible universe of bond issuers. If the issuer passes the internal score thresholds, set by the Fixed Income investment team, it is included in our Preferred Investment Universe (PIU). The overall score for all issuers in the PIU enables the Fixed Income investment team to compare securities on an ESG-adjusted basis and evaluate whether to include the securities in our Fixed Income portfolios.

All corporate and SSA issuers within the PIU must undergo a two-stage screening process, as detailed on the following pages.

1. Negative screening

All issuers within the investible bond universe are negatively screened on the internal thresholds for the individual Environmental, Social and Governance scores assigned to the issuer by a third-party data provider.

If the issuer passes the first stage of negative screening, the issuer will be screened on other factors, as further outlined in step 2.

If the issuer does not pass our internal thresholds for the individual Environmental, Social and Governance scores, but we believe that the third-party data requires further investigation, the Fixed Income investment team undertakes qualitative analysis to assess the credit risks and ESG risks of the issuer. The Fixed Income investment team may use company and industry reports to inform their qualitative analysis.

As the Fixed Income investment team works closely with other asset class investment teams, it may also leverage the qualitative assessment completed by the Equity and Multi-Asset team on any issuer that has failed the Fixed Income negative screening on the individual Environmental, Social and Governance scores.

Based on the outcome of the qualitative analysis, the Fixed Income investment team has an option to override outcomes of the negative screening process. The decision on whether to include the issuer in the PIU or not, on the basis of the qualitative analysis, is subject to discussion and agreement by the Fixed Income investment team.

2. Positive screening

If the issuer passes the first stage of negative screening, we then combine a number of metrics with third-party assigned ESG ratings to derive an overall score for each issuer.

For corporate issuers, the Fixed Income investment team assigns weights to sectors within our quantitative scoring framework, to account for the perceived ESG risks of the sector that the issuer is classified to be in. Each sector has a slightly different scoring methodology. For example:

- The environmental score has the highest weight for issuers in the energy sector
- The social score has the highest weight for issuers in the technology sector
- The governance score has the highest weight for issuers in the communication services sector.

Similar to our approach with issuers that do not pass the first stage of our screening process, the Fixed Income investment team also has an option to override outcomes from the second stage of the screening process. If the issuer passes the first stage of our screening process but does not pass our internal thresholds for the issuer's overall score in the second stage, but we believe that the third-party data requires further investigation, the Fixed Income investment team undertakes qualitative analysis to assess the impact of the credit risks and ESG risks of the issuer.

The Fixed Income investment team may use company and industry reports to inform their qualitative analysis. The decision whether to include the issuer in the PIU or not on the basis of the qualitative analysis is subject to discussion and agreement by the Fixed Income investment team.

If the issuer's overall score is above our internal threshold, the issuer will be included in the PIU, subject to discussion and agreement by the Fixed Income investment team. Through this process, we positively screen for issuers that have passed both our credit risks and ESG risks assessment relative to peers.

The Fixed Income investment team monitors changes to the individual Environmental, Social and Governance scores on a monthly basis. The Fixed Income investment team also monitors any ESG-related controversies and assesses their impact on the issuer.

The Fixed Income team may discuss the issuers that fail our screening process, any material changes to the issuer's individual ESG scores, as well as any developments in major controversies at the team's ESG meeting.

We have one Fixed Income strategy that invests in third-party managed funds, as described in the section labelled 'Third-party manager selection'.

Global Multi-Asset Class strategies

Our principal Global Multi-Asset Class Strategy primarily invests in direct equities and bonds to ensure that the portfolio reflects our fundamental views as closely as possible. The strategy also invests in third-party managed funds which provide exposure to commodities and alternative trading strategies, as well as third-party managed equity and fixed income strategies.

Within direct equities, we apply the same ESG integration process that we do for our Equity strategies, as described in the section labelled 'Equity strategies'. The Multi-Asset team develops ESG dashboards for each company, which enable them to identify and integrate ESG considerations that can materially impact long-term company performance.

Our direct fixed income holdings are selected from the PIU that the Fixed Income investment team derives through a quantitative scoring framework involving third-party ESG data. The Multi-Asset team will then develop ESG dashboards, similar to the process for equity holdings, for each fixed income issuer to identify and integrate ESG considerations that can materially impact long-term company performance. Please refer to the section labelled 'ESG dashboards' for additional details.

For third-party managed funds in our Global Multi-Asset Class strategies, we apply the ESG integration approach as described in the section labelled 'Third-party manager selection'.

ESG INTEGRATION IN SUSTAINABLE STRATEGIES

Our Sustainable strategies (the Multi-Asset Class Sustainable Total Return Strategy and the Sustainable Global Equity Strategy) seek to invest in entities that provide products and services to support the shift to a more sustainable economy. The strategies integrate a three-stage sustainability assessment process in order to determine whether an asset should be considered a sustainable investment, and its inclusion within the portfolio. Each direct equity and bond held within the portfolio must meet the three-stage sustainability assessment process outlined below:

1. Baseline screen

As a starting point, all of our direct equity and fixed income holdings must exclude entities involved in the manufacture of controversial weapons. Please refer to the section labelled 'Exclusions' for details.

Our baseline screen then uses a third-party screening tool to avoid exposure to controversial entities that may conflict with the non-financial objectives of our clients. Where required, independent research may be conducted to inform the exclusions process and/or outcome.

We exclude direct equity or fixed income holdings in entities within the energy and utilities sectors, and the metals and mining sub-industry, that have proved and probable fossil fuel reserves for energy purposes, or derive revenue from activities associated with the energy application of fossil fuels. We also exclude entities that generate revenues, over our internally defined thresholds, from the following industries: adult entertainment, alcohol, armaments, gambling and/or tobacco.

The baseline screen also uses third-party reports to help identify and remove businesses that fail to comply with the United Nations Global Compact (UNGC) Principles[6], which cover human rights, labour, the environment and anti-corruption. This screen is not based on revenue exposure thresholds; it simply removes any entity that fails to comply.

2. ESG integration

The Sustainable investment team develops ESG dashboards for each equity and fixed income holding. The dashboards further guide the Sustainable investment team's analysis on material ESG issues for consideration in their investment decision-making process. Please refer to the section labelled 'ESG dashboards' for additional details.

The inclusion of Environmental, Social and Governance considerations into investment due diligence can provide an indication of the operational quality of an entity, and its ability to mitigate risk to future cash flow that may arise from ESG considerations. The strategy seeks to invest in entities that we believe are able to mitigate ESG risks from an investment perspective and also demonstrate high standards of non-financial ESG quality (e.g. high quality environmental standards, safe working environment). The portfolio managers determine this based on their proprietary research and understanding of the instruments we seek to invest in.

[6] https://www.unglobalcompact.org/what-is-gc/mission/principles

3. UN SDG alignment

The strategy aims to invest in entities whose economic activities contribute to at least one of the UN SDGs based on a qualitative and subjective assessment of the entity by the portfolio managers.

The UN SDGs[7] reflect a 15-year agenda to tackle some of the world's most pressing challenges, to ensure a more sustainable future for humanity and the planet. They recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of societal needs including education, health, social protection and employment opportunities, while tackling climate change and protecting the environment[8].

All investments held within our sustainable strategies undergo a screening process which is set out below.

Our Sustainable strategies may invest into unlabelled or labelled bonds issued by a corporate, sovereign or supranational entity. Unlabelled bonds must pass the three-stage sustainability assessment process outlined above.

Labelled bonds are those where the proceeds are used for specific sustainable projects, rather than the operations of the issuer. These could include, but are not limited to green bonds, social bonds, water bonds, or sustainability bonds. For labelled bonds, a 'Sustainable Bond Checklist' is employed to identify suitable bonds. The projects identified must be enabling progress towards at least one of the UN SDGs without significantly hindering progress towards any of the UN SDGs.

We apply the ESG integration approach as described in the section labelled 'Third-party manager selection' for third-party managed funds in our Multi-Asset Class Sustainable Total Return Strategy.

Certain assets held within our Sustainable strategies may be held for diversification or hedging purposes, and not contribute to the sustainable investment allocation of the strategy. These assets are screened for material conflict with the UN SDGs (as outlined below).

Screening out material conflict with the UN SDGs

Assets held within our Sustainable strategies undergo a screening process to screen out entities whose practices, on balance, materially conflict with the UN SDGs. An asset would not pass the screening process if it:

- fails to pass the exclusionary baseline screen;
- has a significant controversy deemed by the Sustainability Assessment Meeting to materially conflict with the UN SDGs;
- has economic activities that, on balance, materially conflict with the UN SDGs;
- or has internal operations that cause significant harm either through environmental damage or to stakeholders throughout its supply chain.

This determination is made by portfolio managers either using third-party business involvement data or through evaluation by members of the Sustainability Assessment Meeting; leveraging information provided through the 'ongoing monitoring process'.

[7] https://sdgs.un.org/
[8] https://www.un.org/en/climatechange/17-goals-to-transform-our-world/

SUSTAINABILITY ASSESSMENT MEETING

Our Sustainable Assessment Meeting is usually held weekly and includes members of our Sustainable Portfolio Management, Traditional Portfolio Management, and Responsible Investing teams. Its remit is to assess and determine the sustainability profile of potential and existing assets held within our Sustainable strategies.

THIRD-PARTY MANAGER SELECTION

Funds team

The Funds team at Barclays Private Bank is responsible for maintaining a panel of third-party managed active funds, from which the DPM team can select funds for inclusion in the Global Multi-Asset Class strategies and Core Plus Fixed Income Strategy (which are Traditional strategies) and the Multi-Asset Class Sustainable Total Return Strategy (a Sustainable strategy).

A sub-selection of these funds that are considered to have sustainability factors integrated into the third-party fund manager's investment decisions are maintained by the Funds team. To determine this sub-selection of funds, the Funds team requires the fund to be classified by the asset manager as an Article 8 or Article 9 fund under the European Union (EU) Sustainable Finance Disclosures Regulation (SFDR)[9] classification (where the strategy falls under the remit of the EU's SFDR regulation).

Additionally, these funds must have an ESG rating assigned to the strategy/fund by the third-party fund research provider employed by the Funds team. The Funds team sets minimum requirements for each fund, which must be met before a fund can be included in the sub-selection of funds that are considered to have ESG factors integrated into the third-party manager's investment decisions.

Where the fund is not domiciled in the EU and, as a result, does not have an SFDR classification, the Funds team may place greater emphasis on the third-party assigned ESG rating. In exceptions where the fund does not have an appropriate third-party assigned ESG rating, the Funds team may either commission the third-party coverage for a dedicated review or may conduct ESG due diligence on the third-party fund's ESG processes on a best-efforts basis, to determine eligibility for inclusion in our sub-selection of ESG integrated funds.

[9] SFDR is a European disclosure regime whereby asset managers are responsible for assigning a particular classification to their product and making certain disclosures accordingly. There is no guarantee that the classification assigned by an asset manager to a product is correct. Financial products can be classified as follows:

- products that have an intended sustainability target, such as reduction of CO2 emissions (Article 9 products).
- products that promote environmental or social characteristics (Article 8 products).
- other products without specific sustainability considerations.

DPM team oversight

For third-party funds in the Global Multi-Asset Class strategies (which are Traditional strategies) and the Multi-Asset Class Sustainable Total Return Strategy (a Sustainable strategy), the DPM team undertakes further investment analysis on funds, selected from the panel of funds maintained by the Funds team. The DPM team may choose to invest in any funds that are available on the panel, regardless of the SFDR classification or third-party assigned ESG rating and for this, the DPM team leverages the Funds team's initial due diligence.

The DPM team may also use reports from third-party ESG data providers to inform their analysis prior to the fund's inclusion in the strategy. If required, the DPM team may also have discussions with the third-party fund manager on the fund's ESG credentials, to help with their analysis and decision-making.

Additionally, for the Multi-Asset Class Sustainable Total Return Strategy only, the DPM team may screen out funds that are not classified by the asset manager as an Article 8 or Article 9 fund under the EU SFDR classification (where the strategy falls under the remit of the EU SFDR regulation). The DPM team may also screen out funds that do not meet certain third-party assigned ESG ratings thresholds set internally by the team.

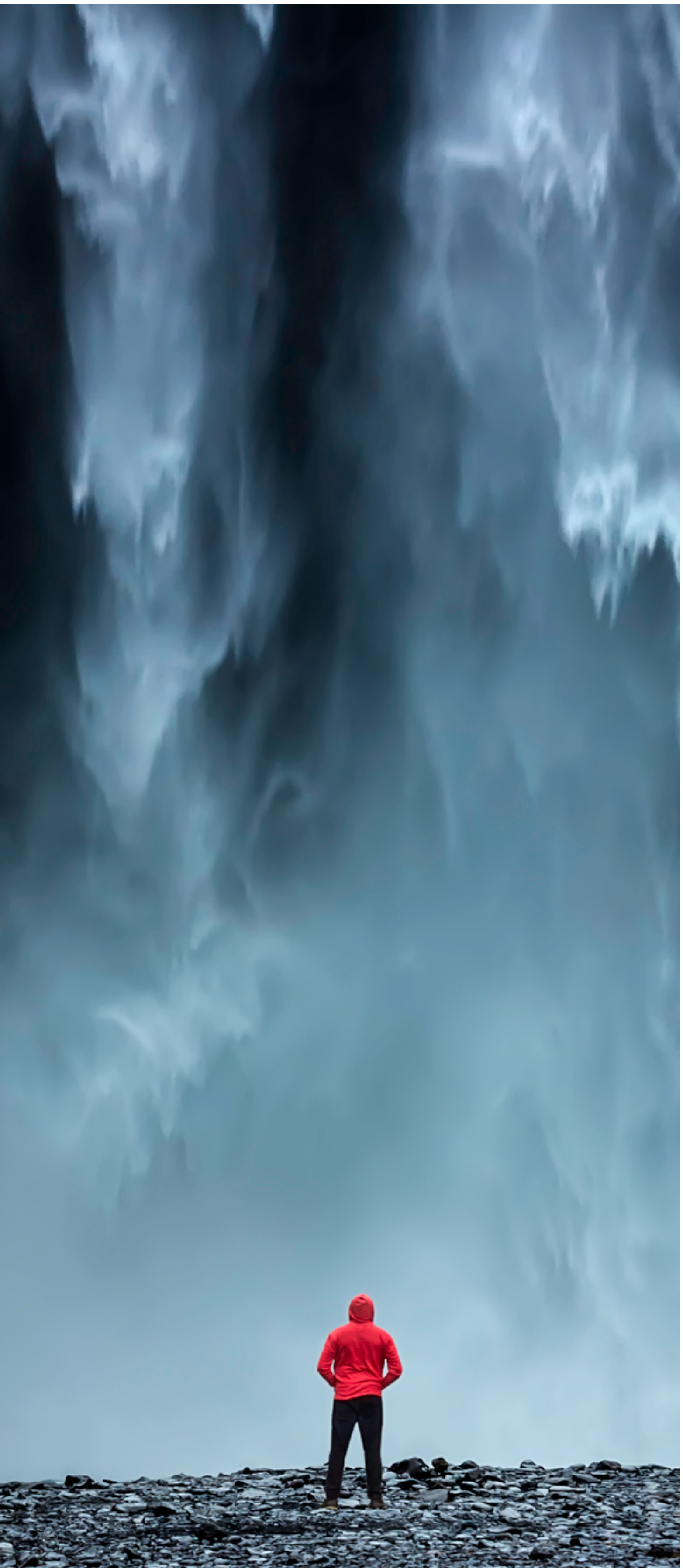
In addition, the Sustainable DPM team will assess the ESG integration and sustainability credentials for all funds in the Sustainable strategies, to determine whether the fund is included within the strategies' allocation to Sustainable Investments. The Sustainable DPM team aims to hold funds in the Sustainable strategies that are screened for material conflict with the UN SDGs (this includes those held for diversification purposes which do not address sustainability considerations).

For third-party funds in the Core Plus Fixed Income Strategy (a Traditional strategy), the DPM team will select funds from the panel of funds, maintained by the Funds team. This may include the sub-selection of funds that we consider to have ESG factors integrated into the third-party fund manager's investment decisions, though these funds would not be selected for their ESG credentials.

For third-party funds in these strategies, where applicable, we rely on the third-party fund managers to effectively execute their Responsible Investing activities to ensure they apply best practice standards of stewardship. The DPM team may use third-party ESG data providers to help with the ongoing monitoring.

We do not seek to integrate ESG considerations in our allocation to passive investment instruments e.g. exchange-traded funds (ETFs) for these strategies.

Exclusions



TRADITIONAL STRATEGIES

For our direct equity and fixed income holdings across all of our DPM strategies, we exclude companies we view as being involved in the manufacture of controversial weapons. Barclays has no appetite for providing any Financial Proposition[10] to companies known to trade in, or manufacture, nuclear, chemical, biological or other weapons of mass destruction.

Barclays also has no appetite for providing any Financial Proposition to companies known to trade in, or manufacture, landmines, cluster bombs or any equipment designed to be used as an instrument of torture. These restrictions form part of the Barclays Defence and Security Statement , which can be accessed at: https://home. barclays/sustainability/esg-resource-hub/statements-and-policy-positions/.

For clients with segregated mandates, where requested, we provide the possibility of excluding sectors or companies based on ethical or personal preferences, which are incorporated into the investment guidelines.

[10] Financial Proposition means financial services including but not limited to banking, advisory or investment services.

Note: The Private Bank's DPM business incorporates Environmental, Social and Governance (ESG) considerations and certain exclusions across all of its strategies. These considerations and exclusions are applied to varying degrees depending on the type of strategy, including but not limited to whether the strategy is internally categorised as a 'traditional strategy' or a 'sustainable strategy'. As a result, a strategy will perform differently from a strategy or reporting benchmark that uses a different methodology to identify and/or incorporate environmental and/or social impact criteria or relies solely or primarily on financial metrics.

SUSTAINABLE STRATEGIES

In addition to our exclusion of companies involved in the manufacture of controversial weapons, as detailed on the previous page, our Sustainable strategies also exclude direct equity and bond holdings in entities within the energy and utilities sectors, and the metals and mining sub-industry, that have either proved and probable fossil fuel reserves for energy purposes, or derive revenue from activities associated with the energy application of fossil fuels.

We also exclude entities that generate revenues, over our internally defined thresholds, from the following industries: adult entertainment, alcohol, armaments, gambling and/or tobacco.

We use a third-party screening tool to incorporate the screens into our Portfolio Management System, which ensures that we avoid exposure to these industries. A specific set of rules is hardcoded into our Portfolio Management System, which will block trading in stocks in these industries. In exceptional cases, a specific trading block can be overridden by escalation only.

Additionally, we exclude any company that fails to comply with the UNGC Principles, which cover human rights, labour standards, the environment and anti-corruption, as identified by the third-party data provider, at the point of inclusion in the Sustainable strategy. Compliance with the UNGC Principles is determined subjectively by third-party data providers. This screen is not based on revenue exposure thresholds; it simply removes any company that fails to comply.

If a company, already included in a strategy, has an event that triggers it to fail to comply with one of the UNGC Principles, it must either be exited within three months, or an engagement plan put in place to rectify the points of failure. If after 12 months, sufficient progress has not been made through engagement, the position must be sold.

Under certain market conditions, such as limited liquidity, it may not be possible to exit a position with a suitable price. In such types of situations, the position may be sold over a longer period of time to ensure it is not sold materially below intrinsic value.

Stewardship

ENGAGEMENT AND VOTING OVERVIEW

Stewardship through engagement and voting is an important part of our approach to Responsible Investing. As part of our commitment to being a Responsible Investor, we undertake engagement and voting[11] for investee companies in partnership with our stewardship services provider, EOS at Federated Hermes (EOS)[12].

We view engagement and voting as an important mechanism through which to hold management to account, and act as a lever to promote change in investee companies on material ESG issues where appropriate. We believe that companies that can better manage material ESG issues could be less prone to severe incidents, such as fraud, litigation or reputational issues.

Our partner, EOS, is a stewardship leader that helps long-term institutional investors around the world to meet their fiduciary responsibilities and become active owners of public companies. We believe that pooling the resources of other like-minded investors creates a strong and representative shareholder voice and makes company engagement more effective.

With a track record of nearly two decades in reaching successful engagement outcomes, EOS also has one of the world's largest teams of engagement specialists[13]. Their diversity of skills, experience, global reach and cultural understanding give them the gravitas and credibility to access and maintain constructive relationships with company boards, policymakers and regulators.

EOS is also an active participant in collaborative industry bodies and initiatives[14] around the world, such as the Investor Alliance for Human Rights, Climate Action 100+, CDP and the International Corporate Governance Network (ICGN), to name a few. Engagements through such collaborations are mechanisms that can increase influence to effect positive change.

Through our partnership with EOS, we can take a comprehensive approach to stewardship, engaging and voting with corporates and key stakeholders, such as policymakers and regulators globally[15].

[11] Voting is applicable only to direct equity holdings whereas engagement activity is relevant to direct equity and fixed income holdings.

[12] Engagement (on select material ESG issues) and voting activities are being exercised in relation to all of our Private Bank DPM investment strategies globally with the exception of services managed in India. Engagement activity is undertaken for our direct fixed income and equity holdings, while voting activity is only undertaken for our direct equity holdings. It is our intention to exercise voting in all markets, although at times our ability to do so may be hindered by regulatory and practical considerations, as well as internal restrictions.

[13] https://www.hermes-investment.com/uk/en/institutions/eos-stewardship/

[14] Information accurate as at 31 December 2023.

[15] The exception is India where we offer strategies developed for the local market. ESG integration and engagement and voting are not undertaken.

ENGAGEMENT PROCESS

Through our partnership with EOS, we seek to highlight key ESG issues of concern, that we believe are material to the portfolio companies related to our direct fixed income and equity holdings. The DPM investment team monitors material ESG issues for investee companies that EOS engages on our behalf[16].

As our engagement process evolves, we seek to review and monitor EOS's progress on engagements on ESG issues that we consider to be material for our portfolio companies. EOS provides a portal through which we can track the full history of engagement with each company and measure its progress as needed. The information generated through this process, which is described in more detail below, is then used by our investment team to help make better-informed decisions about the sustainability journey of those companies that are the subject of engagement.

Our investment team also meets periodically to discuss stewardship activities, including discussions on specific companies and engagement themes, as well as material issues/ concerns relating to the EOS engagement strategy which may require feedback and escalation to EOS. This approach is expected to evolve as we continue to develop our understanding of better practices.

Barclays Private Bank is a member of the EOS Client Advisory Council, in which we discuss EOS's engagement and voting strategy and any policy changes. We also participate in EOS's annual survey to discuss potential focus areas for engagement.

[16] EOS's engagement remit may not cover all of our investee companies.

EOS's engagement with corporates takes place at board and senior executive level, covering a range of topics, such as climate change, executive pay, human rights and labour rights, including modern slavery.

EOS develops engagement strategies specific to each company, subject to engagement, informed by its deep understanding across sectors, themes and markets.

Specific environmental and social outcomes, aligned to the UN SDGs, that EOS seeks to include are as follows:

Climate change

Ensuring company strategies and actions are aligned to the goals of the Paris Agreement to pursue efforts to limit climate change to 1.5°C, and demonstrating that business models are resilient and can adapt to future climate change.

Natural resources

Protecting, preserving and restoring natural resources and biodiversity by transitioning to sustainable food systems, avoiding antimicrobial resistance and managing water stress, to enable more affordable access to food and clean water.

Circular economy and zero pollution

Controlling pollution of air, land and water to below harmful levels for humans and other living organisms, and building a circular economy that avoids waste.

Human and labour rights

Respecting all human and labour-related rights linked to a company's operations, products and supply chains, including through the provision of affordable essential goods and services to help reduce poverty.

Human capital

Improving human capital to achieve a healthy, skilled and productive workforce inclusive of the full diversity of wider society, with access to fair and equitable pay and benefits, in the context of rapid technological disruption.

Wider societal impacts

Ensuring that a company adheres to the highest ethical standards, with zero tolerance of bribery or corruption, responsible payment of taxes and maximising the positive impacts of its products and services while reducing to the extent possible any associated harms.

EOS's Engagement Guidelines[17] provide an overview of the approach to engagement across a range of issues to promote good governance practices. To formulate these guidelines, international best practice has been taken into account e.g. the OECD's Principles of Corporate Governance, the ICGN's Global Corporate Governance Guidelines, and the EU Shareholder Rights Directive II. The guidelines are also supplemented with EOS's decades of experience and knowledge from discussions with company management on routine and contentious voting items.

Engaging for change is often a long-term process, with activities spanning several months or even years, depending on the nature of the issue. For this reason, EOS sets clear, specific and measurable objectives for each engagement at the outset, and uses a four-step milestone approach to monitor progress, as follows:

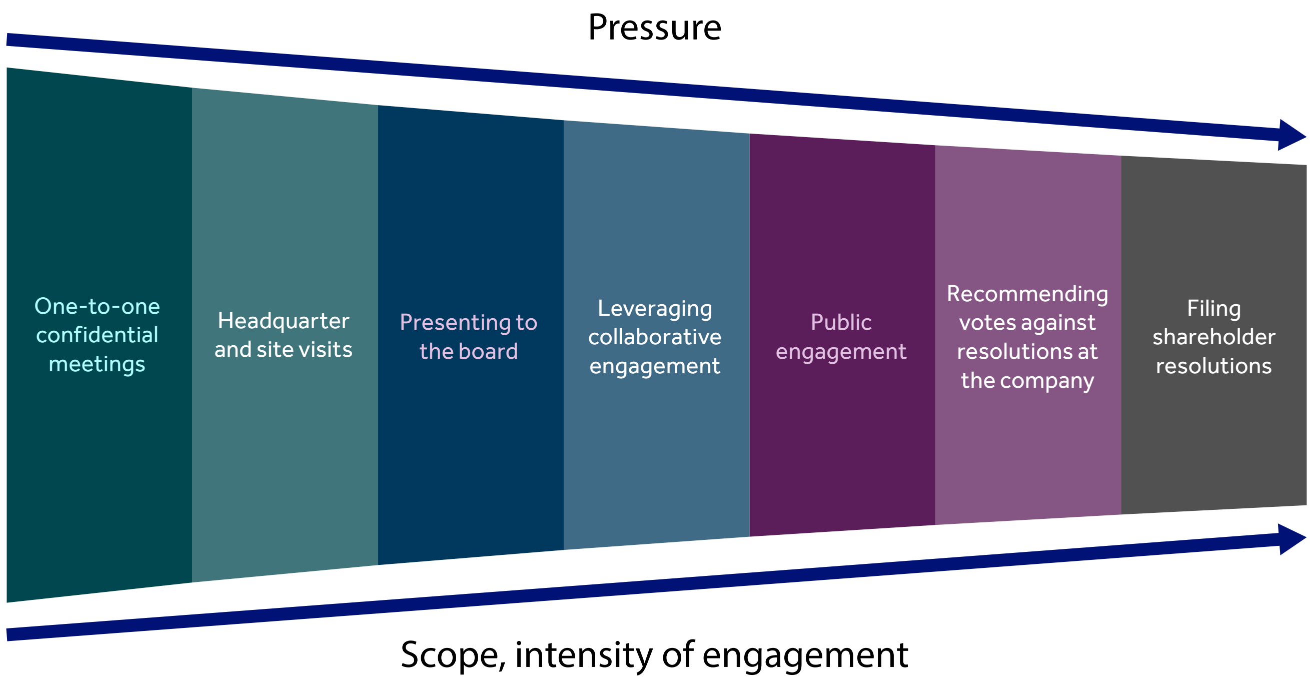
These milestone approaches can be tracked for each company on the EOS portal.

[17] Please refer to 'Engagement Plan' in https://www.hermes-investment.com/uki/stewardship/eos-library

EOS's preferred approach is for engagement dialogue to be private through meetings, calls, letters or emails. Engagement is escalated and intensified with companies over time, depending on the severity of the risks and issues, and feasibility of achieving change through engagement. Some engagements involve one or two meetings over a period of months, others are more complex and entail meetings with different board members over several years.

EOS uses different methods to escalate and intensify engagement with companies over time, depending on the nature of the challenges faced and the attitude of the board towards dialogue. Most of the time, engagement takes place in confidential one-to-one meetings, but the scope and intensity can increase if the company is not receptive to change.

The following diagram shows the escalation process followed by EOS. These escalation measures can be taken by EOS simultaneously or sequentially.



VOTING PROCESS

Voting forms an integral part of our overall stewardship strategy and is used as a tactical tool to achieve the desired change on ESG issues. For our direct equity holdings, we use our rights as shareholders to seek and to drive our desired changes. Our equity portfolio managers are ultimately responsible for making voting decisions.

The portfolio managers receive voting recommendations on upcoming annual general/ extraordinary meeting resolutions from EOS. These resolutions are analysed by EOS against a range of voting principles and policies[18], which are based on international best practice and local regional considerations (e.g. EOS Global Voting Guidelines; Regional voting principles; Country-level voting guidelines).

These guidelines are extensive, covering a number of ESG topics, and have been drafted based on decades of experience of seeking change at companies. They consider issues such as climate change, appointment of directors and upholding minority shareholder interests.

Following receipt of EOS's voting recommendations, our Equity portfolio managers meet to discuss this information for a select number of voting issues and decisions in advance of making the voting decision on behalf of our clients. Voting decisions are made by the lead portfolio managers based on the company's ESG and investment analysis and what the portfolio managers assess to best serve our clients' long-term interests.

Additional governance arrangements will be required to facilitate those occasional instances where a portfolio manager votes differently to the recommendation provided by EOS. The portfolio managers will document and record a rationale when voting differently to EOS. It is our intention to exercise voting in all markets. However, our ability to do so may be hindered by regulatory and practical considerations, as well as internal restrictions.

The Responsible Investing and Sustainability Governance Forum provides a platform for members to monitor and oversee EOS's engagement and voting outputs. It also retrospectively looks at voting decisions taken by portfolio managers which may have been different to the recommendations provided by EOS.

[18] Please refer to 'Global Voting Guidelines' in https://www.hermes-investment.com/uki/stewardship/eos-library

REPORTING ON ENGAGEMENT AND VOTING

We believe that transparency is an integral part of good governance, and we report on our engagement and voting activities. Our engagement and voting reports are publicly available on the Barclays Private Bank website. Our cross-section of reports, which outline our engagement and voting activities, provide summaries for each of the core DPM strategies.

Not all reported activity will apply to individual accounts which deviate from our core strategy holdings, for example, where investment restrictions have been requested. Engagement and voting activity reports for DPM portfolios managed in the UK, Jersey, Ireland, Switzerland and Monaco are available on: https://privatebank.barclays.com/what-we-offer/investments/responsible-investing-engagement-and-voting-activities/.

Barclays Private Bank's views on ESG issues

ENVIRONMENTAL

Climate

In March 2020, Barclays announced its ambition to be a net zero bank by 2050, becoming one of the first banks to do so. Barclays' strategy to turn this ambition into action is set out in the Climate and Sustainability Report (from page 59) of the Barclays Annual Report 2023.

Within our DPM due diligence approach, we consider the risks associated with climate change. This is reflected in the ESG integration approaches and dashboards, described in more detail in the section labelled 'ESG dashboards'.

We evolved our governance on climate change by setting up the Responsible Investing and Climate Change Forum in 2023, which includes senior management and provides a platform to review, develop and monitor our approach to climate. We have incorporated climate change related risks and opportunities into our assessment of macroeconomic projections and expected asset class risks and returns. This feeds into our strategic asset allocation process. We are evolving our approach as our understanding of climate-related matters develops.

We joined the Institutional Investors Group on Climate Change (IIGCC) in 2023 and look forward to engaging and collaborating with our peers on approaches to tackling climate change.

We recognise the importance of engaging with entities to support their transition to a low-carbon model. Through our partnership with EOS, we seek to engage with investee companies on key issues related to climate.

EOS's engagement on the topic of climate change encourages company strategies and actions to be aligned to the goals of the Paris Agreement, and to limit global warming to well below 2°C and ideally to 1.5°C above pre-industrial levels.

Nature and biodiversity

Banks have an important role to play in contributing to nature-positive finance and managing their nature-related risks. Barclays' approach to nature and biodiversity is set out from page 124 of the Barclays Annual Report 2023.

Our investment due diligence within DPM aims to consider the material and/or relevant risks to entities and communities that may arise from environmental degradation and biodiversity loss. Through our partnership with EOS, we seek to engage with portfolio companies that have been involved in poor environmental practices that we view to have had an adverse impact on nature and biodiversity.

Water and waste

Improving water efficiency and reducing waste could be vital to conserving natural resources and ensuring the long-term sustainability of our societies, natural ecosystems and economies. Our investment due diligence within DPM aims to consider material and/or relevant risks of portfolio companies that practice inefficient water management in high water stress areas, as well as those that may have poor waste management practices. Through our partnership with EOS, we seek to engage with portfolio companies that have been involved in poor water and waste management practices.

SOCIAL

Human rights

Barclays' approach to human rights is set out from page 239 of the Barclays Annual Report 2023

Our investment due diligence within DPM aims to consider material and/or relevant risks of portfolio companies on human rights risks, such as modern slavery, human trafficking, forced labour, workplace standards and employee relations as a few examples.

We use the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, OECD Guidelines and the ten principles of the UN Global Compact as guiding reference frameworks to assess the responsibility of companies to respect human rights standards and other related controversies against the entity, as identified by our third-party data provider.

Through our partnership with EOS, we seek to engage, as appropriate, with portfolio companies that are associated with actual and potential human rights impacts, and seek opportunities for the company in question to take action to reduce or cease their impacts.

Diversity, equity & inclusion (DEI)

Barclays' approach to diversity, equity and inclusion is set out in the Barclays Diversity, Equity and Inclusion Report 2022.

There is a section on board diversity within the report of the Board Nominations Committee from page 157 of the Barclays Annual Report 2023.

Our investment due diligence within DPM aims to consider material and/or relevant risks of portfolio companies on issues such as diversity, equality, inclusion, safety and fair treatment of employees as a few examples. Through our partnership with EOS, we seek to engage with portfolio companies that have the greatest room for improvement in their policies and practices around DEI issues.

GOVERNANCE

Corporate governance

Barclays' commitment to being a responsible business includes seeking to ensure that:

1. we conduct ourselves in line with The Barclays Way, our Code of Conduct, to create the best possible working environment for our colleagues
2. we treat our customers fairly and that the products and services we deliver are transparent and responsible
3. we operate in line with relevant laws and regulations, including those applicable to financial crime
4. we safeguard the data that has been entrusted to us.

Our investment due diligence within DPM aims to consider material and/or relevant risks of portfolio companies on issues such as employee relations, management structures, tax compliance, accounting quality and remuneration as a few examples. We believe these areas are important for ensuring management is suitably aligned to shareholder interests, as well as to highlight areas of concern around how management reports financial performance.

We expect boards to actively engage with shareholders on long-term strategy, board composition, executive remuneration and capital allocation matters. Through our partnership with EOS, we seek to engage with portfolio companies on various corporate governance issues and exercise our voting rights.

Conflicts of interest

Barclays recognises that identifying and managing potential and actual conflicts of interest is fundamental to the conduct of its business, its relationships with customers, and the markets in which it operates.

There are four key pillars in the Barclays approach to conflicts of interest, which are as follows:

- identify actual or potential conflicts of interest
- prevent conflicts of interest wherever possible, or have controls/procedures to manage them
- maintain records of identified conflicts of interest and steps taken to prevent or manage them
- monitor and review identified conflicts of interest.

The Barclays conflicts of interest framework requires in-scope businesses, inclusive of Private Bank Investment Management, to have procedures and processes in place, designed to provide a consistent approach for the management of business and personal conflicts of interest. This includes ongoing identification and assessment of conflicts of interest, annual conflicts of interest assessment, as well as related governance and training requirements.

Additionally, The Barclays Way, our Code of Conduct, sets the standards of behaviour that all employees should follow, and also requires that employees avoid undeclared actual or potential conflicts of interest, or behaviour that may be perceived as a conflict of interest. Where such conflicts cannot be avoided, there is a requirement to be transparent about their existence and the steps taken to manage them proactively.

Collaboration

We are part of several collaborative initiatives that promote strong Responsible Investing practices. Through these initiatives, we actively work with and share our experience and knowledge with peers (whilst respecting antitrust and other regulatory requirements) to better understand important Responsible Investing issues and their implications for our investment processes.

Barclays Private Bank Investment Management is a signatory to the Principles for Responsible Investment (PRI)[19], a leading global initiative in the Responsible Investing space. The PRI is an international network of investors, working together to implement the six PRI principles[20], and its goal is to encourage its signatories to incorporate ESG issues via the six principles into their investment practices.

As a signatory to the PRI, we are committed to Responsible Investing, to evidencing our ability to integrate ESG considerations into our investment processes, and to engaging and voting to enhance returns and better manage risks within portfolio companies.

To further demonstrate our commitment to applying the PRI principles, we are also a member of the interactive network of PRI Wealth Managers Working Group. The members and affiliated signatories' goal is to advance Responsible Investment within the industry by collaborating and sharing insights of good practice. Furthermore, the Working Group explores how ESG considerations can be appropriately incorporated into portfolio managers' decision-making.

Barclays involvement in external initiatives, signatories or memberships is set out from page 127 in the Barclays Annual Report 2023.

[19] https://www.unpri.org/

[20] https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment

Know your key investment risks

Investment risk: The risk of loss for the Portfolio resulting from fluctuations in the market values of positions in the Portfolio attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices, or an issuer's creditworthiness. A degree of market risk is inherent in all investments. Portfolios are monitored to ensure that they are consistent with the defined risk profile.

Liquidity risk: Liquidity risk is the risk that a position in the Portfolio cannot be sold, liquidated or closed at limited cost in an adequately short time frame.

Counterparty and credit risk: The risk of loss for the Portfolio resulting from the possible default or downgrade of a counterparty on its obligations prior to the final settlement of a transaction or contract.

Concentration risk: The risk of loss because of the concentration of exposure to a specific instrument, individual transaction, industry or country. Factors considered in the setting of the limits applied to the portfolios may include the following:

- Investment objective and policy
- Mandate restrictions.

Operational risk: Any circumstance where there is a potential or actual impact to the Portfolio resulting from inadequately controlled or failed internal processes, people and systems, or from an external event. The impact can be financial, including incurring either a loss, or in some cases a financial gain and can include non-financial (e.g. Conduct or Reputational) consequences. The definition of operational risk includes, but is not limited to, breaches of regulations or contract, business continuity disruptions, accounting and technology incidents.

Currency risk: The risk of loss for the Portfolio resulting from changes in the exchange rate between the base currency of a Portfolio and the currency of any asset held in that Portfolio, which may lead to depreciation of the value of the assets expressed in the base currency.

Interest rate risk: Each Portfolio may have exposure to fixed interest securities. The value of such securities is sensitive to changes in interest rates. The value of Shares is likely to fall if interest rates rise in the medium to long term, and vice versa.

High yield security risk: Generally, medium or lower rated securities and unrated securities of comparable quality offer a higher yield than is offered by higher rated securities. But they will also likely have some quality and protective characteristics that, in the judgment of the ratings organisations, are outweighed by large uncertainties or major risk exposures to adverse conditions. Additionally, they are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal, in accordance with the terms of the obligation.

The market values of these securities tend to be more volatile than those of higher quality bonds. They also present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because medium and lower rated securities and unrated securities of comparable quality generally are unsecured, and frequently are subordinated to the prior payment of senior indebtedness.

Emerging market risk: Investment in emerging markets may involve a higher risk than that inherent in established markets. Where Portfolios are invested in some overseas markets, these investments may carry a risk associated with:

- Failed or delayed settlement of market transactions and the registration and custody of securities
- Political risk
- Taxation risk
- Currency conversion or repatriation risk
- Lack of transparency in accounting and reporting standards.

Size factor risk: Some Portfolios may present risks normally associated with investment in smaller companies. The markets in such securities tend to the less liquid (in other words, such securities may not be easy to buy or sell) and more volatile than for larger companies. This may affect the value of the Portfolio and may be particularly relevant when trying to raise cash in the portfolio.

Derivative instrument risk: Some Portfolios may hold derivatives in over-the-counter (OTC) markets where there may be uncertainty as to the fair value of such derivatives, due to their tendency to have limited liquidity and possibly higher volatility. In addition, the Portfolio will be exposed to credit risk on counterparties with whom the transactions are made and will bear the risk of settlement default with those counterparties.

Credit risk: A Portfolio may have a credit risk on the issuer of debt securities in which it invests, which will vary depending on the issuer's ability to make principal and interest payments on the obligation. Not all of the securities in which a Portfolio may invest are issued by governments or political sub-divisions, agencies or instrumentalities, as a result of which default will have adverse consequences for a Portfolio.

A Portfolio may also be exposed to credit risk on Counterparties to:

- Repurchase agreements or securities lending contracts
- Forward foreign exchange contracts, futures and other transactions
- Derivative transactions.

Compliance with mandate restrictions: The risk of non-compliance with mandate restrictions.

Special situation risk: The Portfolios may invest in securities of an issuer based upon, or in anticipation of, a special corporate event (including an event that may be characterised as a risk arbitrage situation, a spin-off, merger or other reorganisation). In special situation investing, there are risks that the anticipated special situation will not occur, or the anticipated benefit of the special situation will not be realised.

ESG analysis risk: In respect of Fixed Income strategies only, each fixed income investment undergoes fundamental qualitative Environmental, Social and Governance (ESG) analysis where data is available. For a minority of issuers, such as where the quantitative data is not deemed appropriate by the investment team and/or the data is not available, additional qualitative investigation is undertaken.

In respect of direct equity and fixed income holdings in companies across all other strategies, as part of our investment due diligence process, ESG factors are analysed to gain insight into the operational quality of a business and its resilience to ESG risks. For those that are eligible, each investment undergoes fundamental quantitative ESG analysis, which highlights areas where we then undertake further qualitative investigation. In all cases, there is no guarantee that the assessment undertaken is exhaustive in nature or that this will influence our investment decisions. Certain asset classes, such as cash or hedging derivatives, are ineligible for ESG analysis.

Where third-party funds are included in a strategy, this may include funds that we consider to have ESG factors integrated into the third-party fund manager's investment decisions. We do not seek to integrate ESG considerations in our allocation to passive investment such as exchange-traded funds.

Where we use ESG data, models and methodologies, we consider such data, models and methodologies to be appropriate and suitable for these purposes as at the date on which they were deployed based on our knowledge at the time. This includes data, models and methodologies made available by third parties (over which we have no control) and which may have been prepared using a range of different methodologies, or where the basis of preparation may not be known to us. Methodologies, interpretations or assumptions may not be capable of being independently verified and may therefore be inaccurate. Climate and sustainability data, models, and methodologies are subject to future risks and uncertainties and may change over time.

ESG data, models and methodologies are not of the same standard as those available in the context of other financial information and use a greater number and level of judgements, assumptions and estimates, including with respect to the classification of ESG activities. ESG data, models and methodologies are also not subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. Historical data cannot be relied on as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data analysis and the application of methodologies will also be affected by underlying data quality, which can be hard to assess, or challenges in accessing data on a timely basis.

The data, models and methodologies used (including those made available by third parties), and the judgements, estimates or assumptions made in them or by us, are rapidly evolving and this may directly or indirectly affect the metrics, data points and targets we use. Further, changes in external factors which are outside of our control such as accounting and/or reporting standards, improvements in data quality, data availability, or updates to methodologies and models and/ or updates or restatements of data by third parties, could impact – potentially materially our approach to data, models and methodologies. We will continue to review and develop our approach to data, models and methodologies in line with market principles and standards as this subject area matures on a reasonable endeavours basis.

ESG interpretation risk: The Private Bank's DPM business incorporates Environmental, Social and Governance (ESG) considerations and certain exclusions across all of its strategies to varying degrees across all booking centres except for India. The extent to which these considerations and exclusions are applied varies based on different factors such as the type of strategy, including but not limited to whether the strategy is internally categorised as a 'traditional strategy' or a 'sustainable strategy' and the assets the strategy invests in. As a result, a strategy will perform differently from a strategy or reporting benchmark that uses a different methodology to identify and/or incorporate environmental and/or social impact criteria or relies solely or primarily on financial metrics.

There is currently no globally accepted framework or definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, an 'ESG', 'green', 'sustainable', 'climate-friendly' or an equivalent company, investment, strategy or consideration or what precise attributes are required to be eligible to be categorised by such terms. This means there are different ways to evaluate a company or an investment and so different values may be placed on certain ESG credentials, as well as adverse ESG-related impacts of companies and ESG controversies where these are considered.

The evolving nature of ESG considerations, models and methodologies means it can be challenging to definitively and universally classify a company or investment under an ESG label and there may be areas where such companies and investments could improve or where adverse ESG-related impacts or ESG controversies exist. The evolving nature of sustainable finance related regulations and the development of jurisdiction-specific regulatory criteria also mean that there is likely to be a degree of divergence as to the interpretation of such terms in the market. We expect industry guidance, market practice, and regulations in this field to continue to evolve.

Any references to 'sustainable strategy' 'sustainable investment', 'ESG considerations', 'ESG factors', 'ESG issues' or other similar terms or related exclusions in this document are as used in our internal framework and as explained in our Responsible Investing Policy and not to any jurisdiction-specific regulatory definition or other interpretation of these terms unless specified otherwise.

Investors with specific sustainability preferences or sustainability-related objectives should review and consider our Responsible Investing Policy and disclosures relevant to any sustainability strategy in detail, to ensure the sustainability profile of the sustainable strategy (including the approach we take to evaluating and screening adverse ESG-related impacts or ESG controversies) reflects such preferences or objectives. There can be no guarantee that the aims or characteristics of any sustainability strategy will be achieved or any adverse ESG-related impact or controversy avoided.

Any decision to invest in a sustainable strategy should take into account both the financial and non-financial characteristics of the strategy.

The approach taken by the Private Bank DPM business may differ from decisions made by other Barclays entities and lines of business.

Third-party risks in respect of ESG data: There are differences in approach and methodology applied by third parties in compiling ESG data across the market (including, but not limited to, the assignment of ESG ratings), which may lead to divergent views and opinions as to ESG considerations (including but not limited to the ESG rating applicable, if any). As such, any use of third-party data, including as part of the investment due diligence process, may be subject to limitations.

Sustainable strategy risk: Our Sustainable strategies look to identify businesses that are helping to address either an environmental or social consideration through the products and services that they sell. The disparate nature of global businesses means that this analysis is subjective, using a combination of qualitative and quantitative inputs. Such strategies may not succeed in generating a positive environmental and/or social impact. The incorporation of environmental and/or social impact criteria into an investment process may cause a sustainable strategy to select, screen or require the disposal of investments for reasons other than financial performance.

As a result, a sustainable strategy will perform differently from a strategy that uses a different methodology to identify and/or incorporate environmental and/or social impact criteria or relies solely or primarily on financial metrics. There is no assurance that an investment objective will be achieved.

Investors with specific sustainability preferences or sustainability-related objectives should review and consider this Policy and the relevant disclosures relevant to any sustainability strategy in detail to ensure the sustainability profile of the sustainable strategy reflects such preferences or objectives. Any decision to invest in a sustainable strategy should take into account both the financial and non-financial characteristics of the strategy.

Purpose of information: 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.

Legal disclaimer

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Important Information

UK

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Registered in England. Registered No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP.

Crown Dependencies

Barclays Bank PLC, Jersey Branch has its principal business address in Jersey at 13 Library Place, St Helier, Jersey and is regulated by the Jersey Financial Services Commission. Barclays Bank PLC, Isle of Man Branch has its principal business address in the Isle of Man at Barclays House, Victoria Street, Douglas, Isle of Man and is licensed by the Isle of Man Financial Services Authority. Barclays Bank PLC, Guernsey Branch has its principal place of business at St Julian's Court, St Julian's Avenue, St Peter Port, Guernsey and is licensed by the Guernsey Financial Services Commission under the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, and the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

Each Branch places funds with other parts of Barclays Bank Group and thus financial standing is linked to that of the Barclays Group. Publicly available information, including reports and accounts, can be found at www.barclays.com.

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Barclays offers private banking products and services to its clients through Barclays Bank PLC and its subsidiary companies. Barclays Bank (Suisse) SA is a Bank registered in Switzerland and regulated and supervised by FINMA. Registered No. CH-660.0.118.986-6. Registered Office: Chemin de Grange-Canal 18-20, P.O. Box 3941, 1211 Geneva 3, Switzerland. Registered branch: Beethovenstrasse 19, P.O. Box, 8027 Zurich. Registered VAT No. CHE-106.002.386. Barclays Bank (Suisse) SA is a subsidiary of Barclays Bank PLC registered in England, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It is registered under No. 1026167 and its registered office is 1 Churchill Place, London E14 5HP.

Monaco
In the Principality of Monaco, Barclays Bank PLC operates through a branch which is duly authorised and falls under the dual supervision of the Monegasque regulator 'Commission de Contrôle des Activités Financières' (with regards to investment services) and the French regulator 'Autorité de Contrôle Prudentiel et de Résolution' (in respect of banking & credit services and prudential supervision). The registered office of Barclays Bank PLC Monaco branch is located at 31 avenue de La Costa, MC 98000 Monaco – Tel. + 377 93 15 35 35. Barclays Bank PLC Monaco branch is also registered with the Monaco Trade and Industry Registry under No. 68 S 01191. VAT No. FR 40 00002674 9.

Barclays Bank PLC is registered in the United Kingdom under No.1026167, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The registered offices of Barclays Bank PLC are located at 1 Churchill Place, London E14 5HP.

Barclays Private Asset Management (Monaco) SAM, a limited liability company (Société Anonyme Monégasque) operating under Monegasque Law, with a share capital of €1,005,000, having its registered office in Monaco at 31 avenue de la Costa, B.P. 4 – MC 98001 Monaco Cedex. - Tél. : +377 93 10 51 51, registered in the Monaco Trade and Industries Registry under No. 94 S 03039 – with S.S.E.E. N° 671C06692, with VAT number: FR 00 00003617 7 regulated by the Monegasque Regulator "Commission de Contrôle des Activités Financières".

DIFC
Barclays Bank PLC (DIFC Branch) (Registered No. 0060) is regulated by the Dubai Financial Services Authority. Barclays Bank PLC (DIFC Branch) may only undertake the financial services activities that fall within the scope of its existing DFSA licence. Principal place of business: Private Bank, Dubai International Financial Centre, The Gate Village Building No. 10, Level 6, PO Box 506674, Dubai, UAE. This information has been distributed by Barclays Bank PLC (DIFC Branch). Certain products and services are only available to Professional Clients as defined by the DFSA.

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Barclays Bank Plc (Incorporated in England and Wales) (Reg. No: K2018/599243/10) is an authorised financial services provider under the Financial Advisory and Intermediary Services Act (FSP 50570) in South Africa and a licensed representative office of a foreign bank under the Banks Act, 1990. Barclays Bank PLC, has its principal place of business in South Africa, at Level 5, Building 3, 11 Alice Lane, Sandton 2196.

Singapore
Barclays Bank PLC Singapore Branch is a licenced bank in Singapore and is regulated by the Monetary Authority of Singapore. Registered in Singapore. Registered No. S73FC2302A. Registered Office: 10 Marina Boulevard, #25-01, Marina Bay Financial Centre Tower 2, Singapore 018983.

Accessibility information:

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