

Shareholder Engagement Statement

Barclays Private Bank offers Discretionary Portfolio Management (DPM) services in the United Kingdom from Barclays Bank Plc.

When providing DPM services in the United Kingdom from Barclays Bank Plc, we manage our clients' wealth according to three overarching principles: Protecting capital; identifying opportunities and valuation (assessing earnings quality and absolute valuation attributes). The individual security selection process is driven by fundamental analysis, which sets out the foundation for security and valuation analysis, fund selection, a global view, as well as a risk adjusted approach to cater for unintended risks.

Our aim is to achieve long term capital growth. We use a combination of quantitative methods and qualitative fundamental research to provide a short list of sustainable businesses with a coherent long term strategy which are well financed and cash generative. Where appropriate, this research may include engagement with company management or investor relations teams to better understand their businesses, potentially including their approach to governance, and social and environmental issues. Where we outsource the selection of assets, including shares, to other investment managers, by investing into a fund, these third party managers are selected via a thorough due diligence process and are subject to ongoing monitoring. The due diligence process focuses on identifying managers that we believe can generate the best risk-adjusted returns in the asset class or strategy which we are seeking to delegate, as well as ongoing monitoring.

This statement provides our approach with regard to each requirement as set out under Article 3g of the European Shareholder Rights Directive II ("SRD II") as implemented in the FCA Handbook at COBS 2.2B.

SRD II aims to promote effective stewardship and long-term investment decision-making via the enhancement of the transparency of shareholder engagement policies and investment strategies across the institutional investment community. Please see below the specific requirements that Article 3g of the SRD II outlines with regard to shareholder engagement within an investment strategy and our current approach for each:

Integrate shareholder engagement in investment strategies

- Where direct stocks are selected we may engage with management or investor relations of investee companies. Where any material issues occur, either financial or non-financial, we would review the investment thesis to see if this has affected our investment rationale.
- Where funds structures are used in our investment process, we appoint third party managers. Where we appoint third party managers, we undertake due diligence on the investment processes of those third party managers and consider the nature and purpose of the shareholder engagement that may be undertaken. Third party managers may engage on matters relating to environmental, social and corporate governance (ESG) developments; enhancements or clarifications to company analysis or process improvements.

Monitor investee companies on their strategy, capital structure, financial and non-financial performance and risk:

- Where direct stocks are selected, analysis is carried out on these companies including the financial and non-financial performance, risk, capital structure and corporate strategy. We use a wide variety of sources including company meetings, company reporting, broker research, industry reports and in-house research. We also have access to specialist research covering environmental, social and governance matters.

- Where funds structures are used in our investment process, we appoint third party managers that monitor investee companies on their strategy, capital structure, financial and non-financial performance and risk. We prefer investment processes that are structured and comprehensive, generally where the key investment professionals decide on the main risk exposures. To that end, the third party managers' research process, portfolio construction, sell discipline and risk management processes are reviewed to ensure these processes incorporate monitoring of investee companies' strategy, capital structure, financial and non-financial performance and risk.

Monitor investee companies on social and environmental impact and corporate governance:

- We are committed to integrating ESG factors into our investment process.
- Where direct stocks are selected, our portfolio managers have access to a specialist research provider for ESG issues and this is the main tool for monitoring these risks. Where our portfolio managers meet with company management, ESG issues will be discussed if relevant.
- Where we appoint third party managers, we do expect them to consider ESG factors within their investment process. Examples might be whether a fund manager has a view on whether an investee company has a well-structured board, suitable labour relations or pollution controls. Furthermore, we seek to understand a manager's awareness and incorporation of ESG considerations when constructing their investment philosophy and applying it. We expect all managers to be engaged with the management of their holdings on these topics in an effort to understand how their activities could impact on the sustainability and profitability of the business. We believe that incorporating ESG considerations in a manager's approach is likely to enhance returns and reduce risk in addition to producing better outcomes for society and the planet.
- We have launched our sustainable strategies to provide our clients with a way of achieving their financial objectives through investing in businesses that are providing solutions to the greatest challenges we face as a planet. The strategies provide global diversification across asset classes, geographic regions and currencies, together with the following proprietary three-stage sustainability due diligence process to identify investments that are advancing global sustainability:
 1. Baseline negative screen: A negative screen is applied, using MSCI ESG Business Involvement Screening, to remove businesses operating in controversial industries.
 2. ESG Integration: ESG analysis is integrated into our investment due diligence process as a way of highlighting opportunities and risks to future cash flow. The sustainable strategies use enhanced ESG due diligence and MSCI Research to identify companies that have best-in-class ESG practices.
 3. SDG Alignment: Positive impact analysis ensures that we only invest in companies that generate revenue from selling goods and services that are helping to address at least one of the United Nation's Sustainable Development Goals.

By combining traditional investment practices with ethical, ESG and positive UN Sustainable Development Goal alignment, our sustainable strategies offer our clients a way of achieving their financial objectives whilst moving towards a more sustainable future.

Conduct dialogues and communicates with relevant stakeholders of the investee companies:

- Where direct stocks are selected we do support the principle of collaborative engagement, and we may engage the management or investor relations of the investee company and liaise directly with other stakeholders. Where stakeholders' rights are likely to have a significant impact on the fortunes of investee companies such factors are taken into account via our ESG analysis.
- We assess the information third party managers gather to make their investment decisions, its quality and depth and the judgement the managers use in making investment decisions. This may include dialogue with the investee companies depending on the nature of the investment strategy, number of holdings and structure of the manager.

Exercising voting rights and other rights attached to shares, cooperation with other shareholders and management of actual and potential conflicts of interests in relation to the firm's engagement:

- Barclays Private Bank has partnered with a leading stewardship provider EOS at Federated Hermes (EOS) to support the bank in engagement across our private banking assets, in equity and fixed income in the UK.
- Where we do exercise our discretion to vote for or against a particular proposal or cooperate with other shareholders, it will be in a manner consistent with its relevant investors' best interests and when not in violation of anti-trust or any other laws or Barclays policies. Any actual or potential conflict of interests that may arise would be managed in line with the documented Barclays Group-Wide conflicts of interest policy and standard, which is updated on an annual basis. All employees are expected to adhere to the Group-wide conflicts of interest policy and standard and receive training on this. Each division maintains a register of conflicts of interest, which is updated regularly.

Barclays Private Bank operating in the United Kingdom will update this statement on its website on at least an annual basis.