Barclays Bank Ireland PLC

Principal Adverse Sustainability Impacts Statement

10 March 2021

Under the EU Sustainable Finance Disclosure Regulation ("SFDR"), we, Barclays Bank Ireland PLC ("BBI"), are required to consider the principal adverse impacts of our investment decisions on sustainability factors.

This document summarises our investment due diligence policy in respect of the principal adverse impacts of our investment decisions on sustainability factors and we will update it from time to time.

This document is divided into four sections:

1. Information about our due diligence policy on the identification and prioritisation of principal adverse sustainability impacts and indicators
2. A description of the principal adverse sustainability impacts and of any actions taken or planned
3. A brief summary of our shareholder engagement approach and
4. A reference to our adherence to responsible business conduct codes and internationally recognised standards for due diligence and reporting.

1. Information about BBI's Principal Adverse Sustainability Impact policy (PAI)

BBI has implemented a principal adverse impact policy ("PAI Policy") as from 10 March 2021, to set out how we identify and prioritise adverse sustainability impacts and indicators, in our investment due diligence processes, and apply these to our sustainable investment offerings. This section of the document summarises certain key provisions of the PAI Policy.

The PAI Policy approaches sustainability from the perspective of the harm that investment positions might do externally to "sustainability factors", being environmental social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, and what steps we take to mitigate that harm.

We have developed a process for assessing the principal adverse sustainability impact of an investment, using a proprietary three-stage sustainability assessment process and we deploy this approach within our sustainable portfolio management offering.

Our portfolio managers and analysts have responsibility for deploying this across the in-scope strategies.

The first stage involves a hard exclusion of businesses that operate within the alcohol, armaments, adult entertainment, gambling, tobacco and fossil fuel industries based on strict revenue exposure thresholds. This ban is driven by the decision that these industries have a negative impact on environmental and social factors.

BARCLAYS

We then undertake bottom-up research on possible target companies. The aim of this stage is to identify companies with best-in-class environmental, social or governance ("ESG") qualities and exclude targets with lower performing ESG credentials. We look beyond financial risk mitigation, to understand in more detail the impact these companies are having on a range of sustainability factors. Our research uses quantitative key ESG data points supplied by leading third party ESG data providers and is supported by further qualitative research by our portfolio management team.

Finally, we look to identify companies that are selling goods and/or services that are directly addressing at least one of the UN's Sustainable Development Goals.

This framework will provide the basis of a wider PAI process to be utilised across our wider product and service ranges, which are being mapped and considered from 10 March 2021 onwards.

2. Description of the principal adverse impacts and action taken or planned

SFDR will require BBI to disclose information and report on the actions we have taken (or plan to take) in practice to implement our PAI Policy. This is a form of ex-post reporting, meaning that we will report at the end of a reference period on the impact of our investments on various sustainability indicators and the actions that we have taken during that reference period.

The exact details of the scope and timing of these reports are yet to be finalised, but it is expected that our first report will be issued from 2023 onwards where we will report on the impact and actions taken during 2022.

However, for our sustainable investment offerings, we have decided to expressly exclude investments into the below industries and screen these on strict revenue thresholds.

Industry	Revenue threshold
Fossil Fuels	All companies that have proven and probable coal reserves and/or oil and natural gas reserves used for energy purposes. Reserves are considered to be used for energy purposes in the case of companies with the following Global Industry Classification Standard (GICS) classification: (a) Oil, Gas and Consumable Fuels Industry (b) Energy Equipment and Services Industry (c) Utilities Sector (d) Diversified Metals and Mining Sub-Industry.
Alcohol	All companies deriving 5% or more revenue from the production of alcohol-related products, or those deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products.
Gambling	All companies deriving 5% or more revenue from ownership or operation of gambling-related business activities, or those deriving 15% or more aggregate revenue from gambling-related business activities.
Tobacco	All companies classified as a "producer", or those that derive 5% or more aggregate revenue from the production, distribution, retail and supply of tobacco-related products.
Armaments	Conventional Weapons: All companies deriving 5% or more from the production of conventional weapons, or those that derive 15% or more aggregate revenue from weapons systems, components, and support systems and services. Nuclear Weapons: All companies that manufacture nuclear warheads or missiles, components, or delivery platforms for use in nuclear weapons. Controversial Weapons: All companies with any ties to controversial weapons, including companies involved in the manufacture and production of cluster munitions, landmines, depleted uranium manufacturers, biological and chemical weapons. Civilian Firearms: All companies classified as a "producer", or those that derive 5% or more revenue from the distribution of civilian firearms.
Adult Entertainment	All companies deriving 5% or more revenue from the production of adult entertainment materials, or those deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment.

We also study key sustainability indicators of our target companies and evaluate them on the basis of our qualitative and quantitative research. The key sustainability indicators used to assess the target universe of eligible investments are:

- Carbon Intensity
- Water Intensity
- Above-average policy disclosure
- Strong corporate cultures/workplace environments and
- Strong governance structures that target improvements in environmental and social factors.

3. Summary of shareholder engagement approach

Our approach to stewardship involves looking deep into our investment process and investments to protect and enhance long-term value for clients and all key stakeholders. It is our belief that this should lead to sustainable benefits for the economy, the environment and society.

We recognise our role as a responsible investor is to positively influence companies' long-term management of material ESG risks and opportunities to protect shareholder value. Engagement and voting are important mechanisms to hold management to account and act as a lever to promote change on ESG issues. We are in the process of further intensifying our engagement activities. We believe that successful engagement is achieved through a well-established outcomes-based philosophy with clear protocols to identify engagement issues, to escalate and to measure an engagement's effectiveness.

Our shareholder engagement statement is available here
https://privatebank.barclays.com/support-and-information/important-information/

4. Adherence to responsible business codes and international standards

Involvement in organisations promoting best practice in ESG at Barclays Group level.

Barclays Group is involved in the United Nations Environment Programme Finance Initiative ("UNEP FI") and is a founder member of the United Nations Principle of Responsible Banking. In addition, Barclays Group is also a member of the Investment Association ("IA"), UK Sustainable Investment and Finance Association ("UKSIF"), Carbon Disclosure Project ("CPD"), Taskforce on Climate-Related Financial Disclosures ("TCFD"), Banking Environment Initiative ("BEI") and Green Bond Principles.

We are also a member of the interactive network of Principles for Responsible Investment ("PRI") Wealth Managers Working Group. The members and affiliated signatories goal is to advance responsible investment within the sector by collaborating and sharing insights of good practice. The Working Group explores how environmental, social, and corporate governance considerations can be appropriately incorporated into investment manager's decision making. We regularly provide inputs into the PRI reporting consultations and participate in PRI events to further best practice.

In March 2020, Barclays Group set out it's approach to tackling climate change, including a commitment to aligning all of our financing with the goals of the Paris Agreement. Further details on the Barclays Group commitment to be a net zero bank by 2050 is available here - https://home.barclays/society/our-position-on-climate-change/highlights/

Item Ref: IBIM10469_IRE. March 2021