# Engagement Activity Summary

## Introduction

As a long-term investor Barclays Private Bank aims to generate superior returns for its clients and create value for stakeholders. Identifying and managing environmental, social and governance (ESG) risks and opportunities, which can have a material impact on financial returns, is key to achieving our goal. This means we consider ESG factors throughout our investment process, alongside financial information.

Barclays Private Bank has partnered with a leading stewardship provider, EOS at Federated Hermes (EOS) (collectively referred to as "we"/"our" in this report), to support us with engagement and voting across our private banking assets in Jersey.

Voting at shareholder meetings and engaging with portfolio companies to encourage better management of ESG themes can be highly effective mechanisms to reduce portfolio risks, and maximise potential returns. They also give us the opportunity, on behalf of our clients, to have a positive influence on corporate behaviour and promote more sustainable business practices.

Our engagement activities are based on the premise that companies with informed and involved shareholders are more likely to achieve long term value than those without. By working with other like-minded investors to amplify our voice, we believe company engagement becomes more effective, enabling us to deliver better risk adjusted returns for our clients over the long term.

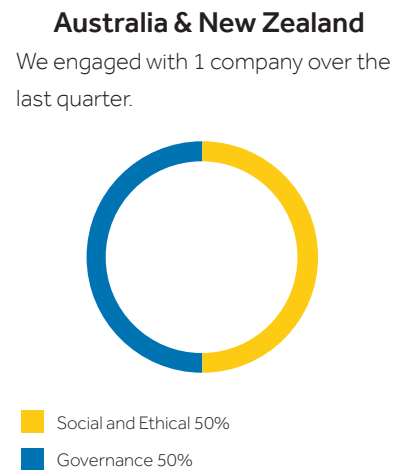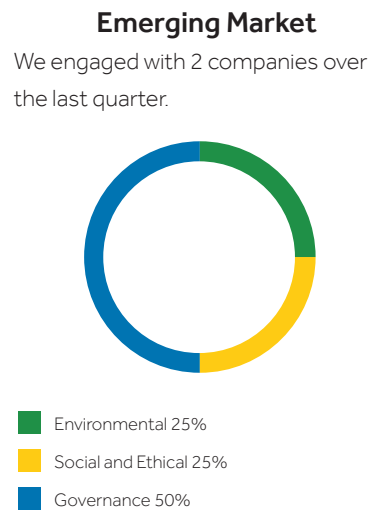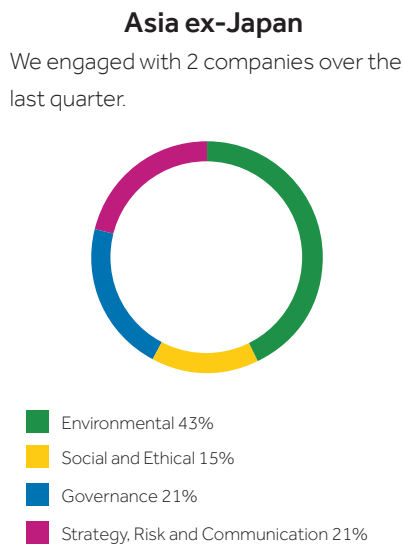Our engagement with portfolio companies, in partnership with EOS, is conducted in the following way:
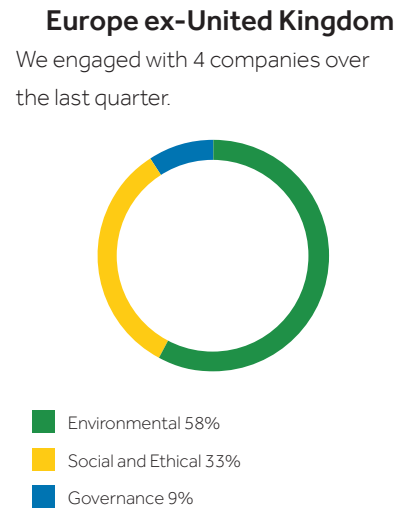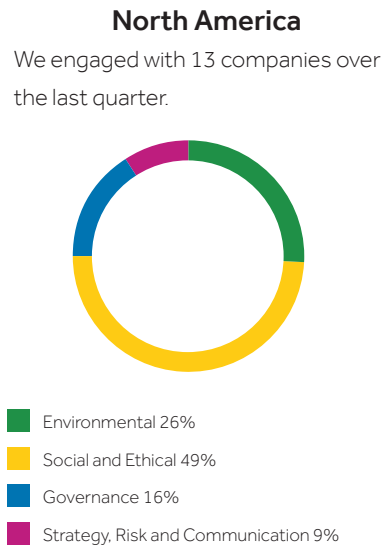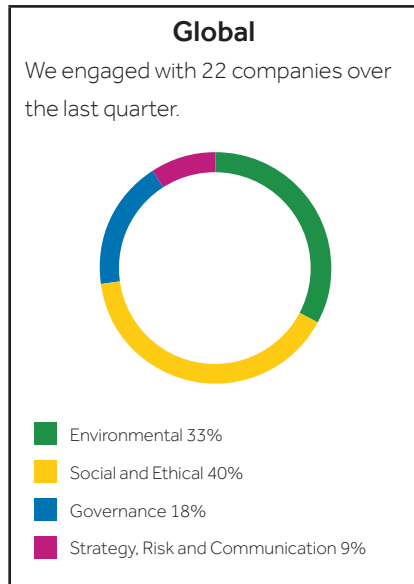
− The way we engage, and how often, depends on the materiality of the risks and issues.

− We engage with companies in the pursuit of achieving objectives, which allows us to track the progress of our engagement, relative to the objectives set for each company.

− We conduct the majority of our dialogue with the board of directors, executive teams, corporate secretary, subject specialists or investor relations.

− We may increase the intensity of an engagement activity over time, depending on the nature of the challenges and the board's attitude to change.

− We tend to engage more actively where we believe it will lead to an increase (or prevent/limit a decrease) in a company's value over the long term.

− We generally prefer to conduct engagement privately when seeking to effect change. However, where our usual methods prove unsuccessful, we may escalate our engagement by speaking publicly at the company's annual general meeting (AGM) to garner additional investor support and add further pressure.

This factsheet gives an overview of the engagement activities undertaken on behalf of our clients over the last quarter.

**BARCLAYS**

# Sustainable Multi Asset Portfolio Management

**Engagement by Region**

Over the last quarter we engaged with 22 companies on a range of 89 environmental, social and governance issues and objectives. The below outlines the ESG topics that were engaged on by region.
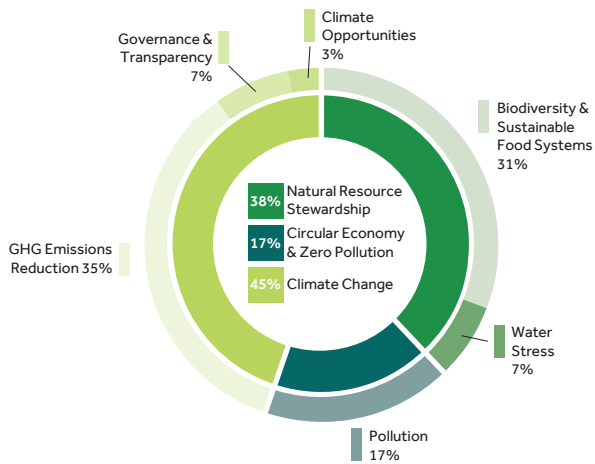
## Global

We engaged with 22 companies over the last quarter.

- Environmental 33%
- Social and Ethical 40%
- Governance 18%
- Strategy, Risk and Communication 9%

## North America

We engaged with 13 companies over the last quarter.

- Environmental 26%
- Social and Ethical 49%
- Governance 16%
- Strategy, Risk and Communication 9%

## Europe ex-United Kingdom

We engaged with 4 companies over the last quarter.

- Environmental 58%
- Social and Ethical 33%
- Governance 9%

## Asia ex-Japan

We engaged with 2 companies over the last quarter.

- Environmental 43%
- Social and Ethical 15%
- Governance 21%
- Strategy, Risk and Communication 21%

## Emerging Market

We engaged with 2 companies over the last quarter.

- Environmental 25%
- Social and Ethical 25%
- Governance 50%

## Australia & New Zealand

We engaged with 1 company over the last quarter.

- Social and Ethical 50%
- Governance 50%

# Sustainable Multi Asset Portfolio Management

**Engagement by Theme**

We categorise our engagements under four main headings below: Environmental, Social and Ethical, Governance, and Strategy, Risk and Communication. Each of these four categories is individually split into three key themes as shown by the inner rings in the below charts. The outer rings show the underlying subthemes of our engagements.
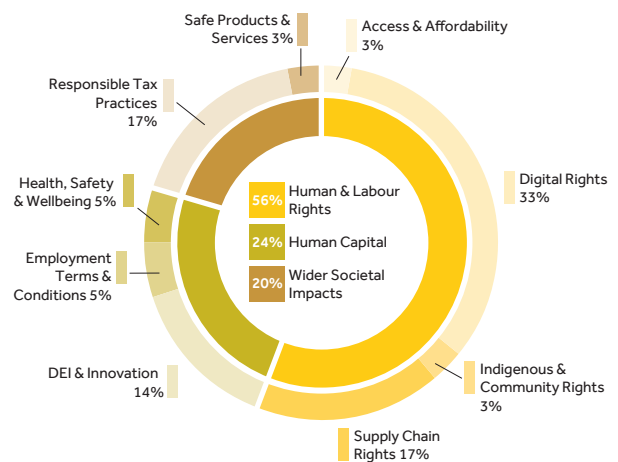
## Environmental

Environmental topics featured in 29 of our engagements over the last quarter.
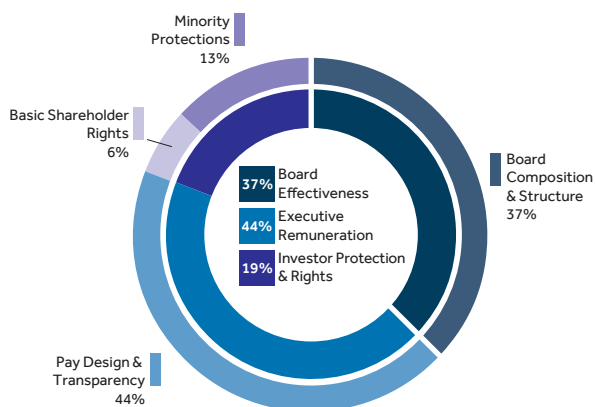
Climate Opportunities 3%
Governance & Transparency 7%
Biodiversity & Sustainable Food Systems 31%
GHG Emissions Reduction 35%
Water Stress 7%
Pollution 17%

38% Natural Resource Stewardship
17% Circular Economy & Zero Pollution
45% Climate Change

## Social and Ethical

Social and Ethical topics featured in 36 of our engagements over the last quarter.

Safe Products & Services 3%
Access & Affordability 3%
Responsible Tax Practices 17%
Digital Rights 33%
Health, Safety & Wellbeing 5%
Employment Terms & Conditions 5%
DEI & Innovation 14%
Indigenous & Community Rights 3%
Supply Chain Rights 17%

56% Human & Labour Rights
24% Human Capital
20% Wider Societal Impacts

## Governance

Governance topics featured in 16 of our engagements over the last quarter.

Minority Protections 13%
Basic Shareholder Rights 6%
Board Composition & Structure 37%
Pay Design & Transparency 44%

37% Board Effectiveness
44% Executive Remuneration
19% Investor Protection & Rights

## Strategy, Risk and Communication

Strategy, Risk and Communication topics featured in 8 of our engagements over the last quarter.

Audit & Accounting 13%
Enterprise Risk Practices 37%
Sustainability Transparency 37%
Capital Allocation 13%

50% Corporate Reporting
13% Purpose, Strategy & Policies
37% Risk Management
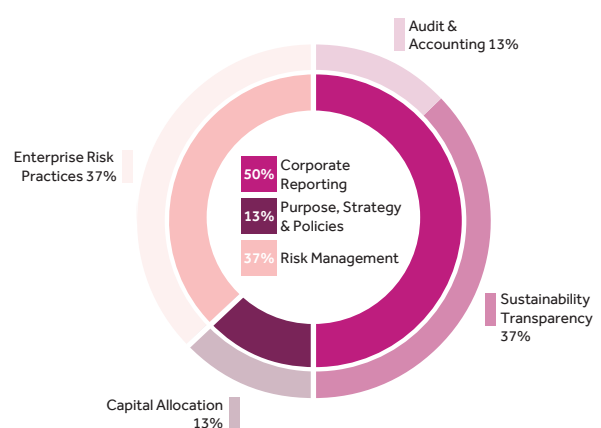
# Sustainable Multi Asset Portfolio Management

**Glossary**

**Objective:**

An objective is a specific, measurable change we are seeking a company to achieve, and it is tracked using milestones.

An objective is regularly reviewed until the company has implemented the change requested or it is discontinued. An objective may be discontinued if, for example, it is no longer feasible or material. We may engage with a company on multiple objectives at any one time. Each objective relates to a single theme and sub-theme.

**Issue:**

An issue is a topic we have raised with a company in engagement, but it may be of lower materiality or related to the annual shareholder meeting, for example. We may engage with a company on multiple issues at any one time.