

Barclays Capital Securities Limited

Strategic Report

For the year ended 31 December 2022

Strategy and future outlook

The Company operates within a complex group structure where streamlining activities and improving efficiencies across the Barclays Group is a key priority, for both the Company and the wider Group management, as regulatory changes on CRR2 and individual leverage requirements are coming into effect. The Company will continue to review its strategy in line with the Barclays Group strategic objectives. The Company's overriding objective is to provide its clients with well-constructed and appropriate solutions to their requirements. The Company will continue to focus on serving geographies and providing products where it has a competitive advantage while maintaining our client-centric approach and, in doing so, develop opportunities to grow our business and increase returns.

The Company continued to invest in enhancing the Barclays Group's Global Markets digital proposition, including our electronic trading capabilities and our digital self-service platform, as well as investing in Prime Brokerage and Financing platforms across Equities.

Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its sole member, BBPLC, and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders, including customers, regulators, the UK Government and non-governmental organization.

The Directors considered, amongst other matters, the following:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct;
- and
- the need to act fairly as between members of the Company.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 16-20 of the Barclays PLC (BPLC) Annual Report 2022 which is incorporated by reference into this statement.

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it will not always be possible to deliver everyone's desired outcome

How does the Board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

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In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations on, and the interests and views of, our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

Engagement in action

The following are some examples of how the Directors have had regard to the matters set out in section 172 when discharging their duties.

Business review

During 2022, the Board received updates on the performance of the Company including the engagement with clients and the key transactions, as well as its financial performance. The Board reviewed in detail the Operating plan for the Company and tracked the progress against the plan. The Board also reviewed various aspects of the Company's operations such as capital management actions, the Company's performance and regulatory developments impacting the Company among other things.

Geopolitical tensions

The Company and the Board have established a strong risk management culture. Risks are identified and overseen through the Enterprise Risk Management Framework which specifies the principal risks of the Company and the approach to managing them. Current geopolitical tensions have also heightened awareness of certain principal risks such as conduct, reputational compliance and cyber risk. These risks are managed within the established risk framework.

Economic Environment

The Board is aware of how current inflationary trends are impacting our customers' and clients' activities. The impact of high inflation and increasing interest rates, coupled with rising energy costs is creating financial pressures across wider society and economic activities in general. The Board will keep the overarching situation under close review in order to ensure that Company continues to play its role in supporting our