

BARCLAYS UK INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties (continued)

During 2022, the Barclays Group, including the Company, ran a stress test to assess its capital adequacy and resilience under a severe but plausible macroeconomic scenario. The internal stress test was informed by the Bank of England 2022 regulatory stress test featuring high and persistent inflation, rising global interest rates, a severe UK recession brought by falling household real incomes, job losses leading to a high unemployment rate, energy and cost of goods shocks, increasing corporate defaults, and severe house and real estate price shocks.

An increased level of government sanctions, because of these geopolitical tensions, has also heightened awareness of certain principal risks such as conduct and reputational risk. The key business risks affecting the Company are primarily around: effective investment selection and structuring; documenting of investor protection rights; and on-going tracking of business performance within the investment portfolio. The above risks are managed by: bi-annual investment valuations process; regular portfolio reviews; and through the use of investor protection rights. The Company did not invoke the investor protection rights on any of its investments during the year.

Key performance indicators

The Directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the relevant business cluster, which includes the Company, is discussed in the Barclays PLC 2022 Annual Report, which does not form part of this report.

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 member as a whole 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.

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's maintaining a reputation for high standards of business conduct;
- and to act fairly between members of the Company.

You can find out more about who the Barclays Group's stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 16 to 20 of the Barclays PLC 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; however, in balancing those different perspectives it won't 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.

BARCLAYS UK INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement (continued)

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.

The following are some examples of how the Directors have had regard to the matters set out in sections 172 (1)(a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

Engagement in action

Supporting our customers, clients, colleagues and communities through challenging times

In response to unusually large increases to living costs experienced by UK colleagues, Barclays Group brought forward part of the 2023 pay increase, awarding 35,000 UK-based junior colleagues a £1,200 salary increase effective from August 2022, ahead of our annual salary review. In January 2023, Barclays Group worked closely with Unite the Union to agree a 2023 UK pay deal which, combined with the August 2022 increases, brought the total average salary increase for our lowest paid colleagues up to 11%. By doing this Barclays Group ensured that the minimum rate of pay in the UK remains well ahead of Living Wage Foundation benchmarks.

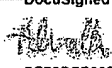
Responding to the impacts of the Russian invasion of Ukraine

The impacts of the war are numerous and widespread, with implications for Barclays Group, its clients and customers and other stakeholders. This has resulted in heightened awareness of certain principal risks such as conduct, reputational, compliance and cyber risk. These risks are managed within the established risk framework and key performance indicators remain within the risk appetite defined by the Company.

Management of key business risks

The Board is focussed on active management of business risks through effective investment selection and structuring, on-going tracking of business performance within the investment portfolio and positive and successful realisation of assets which has resulted in four follow-on investments and one successful realisation during the year.

This report was approved by the Board and signed on its behalf by:

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A Challis

Director

Date: 27 September 2023

Registered number: 04995752