

## **SUSTAINABLE IMPACT CAPITAL LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **Business review and principal activities**

The principal activity of Sustainable Impact Capital Limited (previously Investors In Infrastructure Limited) (the 'Company') is to act as a limited partner investor in funds established in Private Public Partnerships (PPP), Private Finance Initiative (PFI) projects exhibiting similar characteristics in the UK and in Europe. During the prior year, the Company disposed of its last investment in the BEIF II fund. It was subsequently decided by the Directors to re-purpose this entity for other investment activities.

#### **Business performance**

The results of the Company show a profit after tax of £181,000 (2018: £255,000) for the year. The Company has net assets of £6,861,000 (2018: £6,680,000). Net cash inflow from operating activities for the year was £258,000 (2018: outflow £713,000).

#### **Future outlook**

The Directors have reviewed the Company's business and performance and consider it to be satisfactory given the Company's performance projections. The Directors consider that the Company's position at the end of the year is consistent with the normal course of business for a business of this nature.

#### **Principal risks & uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed in the annual report of Barclays PLC which does not form part of this report.

Whilst the direct and indirect inputs of the Coronavirus (COVID-19) outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. Concerns remain as to whether these policy tools will counter anticipated macro-economic risks and a prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries. In addition, an escalation in geopolitical tensions or increased use of protectionist measures may also negatively impact the Company's business. Where these macro-economic risks result in market volatility, there is a risk of a reduction in future revenue where the current portfolio's valuation is led by developments in interest rates and the real estate markets.

#### **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 Barclays Group, which includes the Company, is discussed in the Barclays PLC 2019 Annual Report, which does not form part of this report.

## **SUSTAINABLE IMPACT CAPITAL LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **Section 172(1) statement**

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Sustainable Impact Capital Limited (the 'Company') for the benefit of its sole member, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- 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.

The Directors also took into account the views and interests of a wider set of stakeholders, including our regulator, the Government, and non-government organisations. You can find out more about who are key stakeholders are, how management engaged with them, the key issues raised and actions taken on pages 14 to 15 of the Barclays PLC annual report 2019 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?**

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.

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 Barclays' operations, 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, 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 is an example of how the Directors have had regard to the matters set out in sections 172 when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

#### **Engagement in action**

On 2 October 2019, the Directors have decided to approve the reduction of the Company's existing share capital in accordance with the solvency statement procedure for private limited companies set out in sections 641 to 644 inclusive of the CA 2006.

On 14 October 2019, the Directors have decided to pass a Special Resolution, pursuant to section 299 of the CA 2006, to change the name of the Company to Sustainable Impact Capital Limited.

The impact on a range of stakeholders including customers, clients, colleagues and suppliers was considered prior to approval.