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Dear Jessie,

Thank you for your email about the Rainforest Action Network report 'Banking on Climate Chaos', and for giving Barclays an opportunity to respond.

We believe Barclays can make a real contribution to tackling climate change. Last year, following extensive engagement with shareholders and wider stakeholders from across society, we committed to align all of our financing to the goals and timelines of the Paris Agreement, and set an ambition to be a net zero bank by 2050. Both our ambition and our commitments received overwhelming support from shareholders at our 2020 Annual General Meeting. Having formalised this, we then worked to develop detailed metrics for setting targets and measuring our progress, which we updated stakeholders on in November. You can read more about our approach [here](#).

Aligning our financing to the goals of the Paris Agreement requires us to reduce the client emissions that we finance, not just for lending but for capital markets activities as well. To help us do that, we have developed BlueTrack™, our methodology for measuring financed emissions and tracking them over time against a decreasing 'carbon limit'. We have already used BlueTrack™ to assess the financed emissions of our client portfolios in the Energy and Power sectors, prioritising these two sectors because they are responsible for up to three quarters of all Greenhouse Gas (GHG) emissions globally and because Barclays has meaningful exposure to them. Therefore, they represented the most appropriate starting place from which to make a significant difference. In November, we set a target for a 30% reduction in the CO2 intensity of our Power portfolio by 2025, which we are currently on track to meet. We have also set a 15% reduction in absolute emissions of our Energy portfolio by 2025 and will continue to track the IEA SDS benchmark reduction on an ongoing basis.

In the last few months, we started work to extend our focus to two additional sub-sectors, Cement and Metals (Steel and Aluminium). Before the end of this year, we will select appropriate benchmarks for each, defining how financed emissions will need to change over time in line with the

goals of Paris. We will publish reduction targets for both Cement and Metals (Steel and Aluminium) in our Environmental, Social and Governance (ESG) Report next year.

The 'Banking on Climate Chaos' report highlights Barclays' fossil fuel financing over the last five years. However, it is important to note that much of this financing took place before we set our net zero ambition and before we started work, set out above, to align our financing portfolio to the goals of Paris. Since we announced our approach last year our fossil fuel financing has reduced, which the report notes.

We also continue to make progress in delivering on a number of specific financing commitments to help accelerate the transition to a low-carbon economy. By the end of 2020, we had already facilitated over £32.4bn of green finance on the way to achieving a commitment of £100bn by 2030. Meanwhile, Barclays' Sustainable Impact Capital Initiative is committed to investing £175m in innovative and environmentally focused private companies by 2025 and has invested £24m so far.

Finally, I wanted to mention how pleased we are that Barclays is joining other financial services organisations in forming the Glasgow Financial Alliance for Net Zero (GFANZ), ahead of the UN's COP26 climate summit later this year. GFANZ is a new industry-wide group, chaired by Mark Carney, designed to bring together the leading net zero initiatives from across the financial system into one sector-wide strategic forum. All of the new group's initiatives – including the industry-led Net Zero Banking Alliance, of which Barclays is a founding member – are to be accredited by the UN Race to Zero campaign. GFANZ also requires signatories to set science-based, interim, and long-term goals to reach net zero no later than 2050, in line with Race to Zero's criteria. You can read more about the initiative here <https://www.unepfi.org/net-zero-banking/>.

Thanks again for getting in contact, and for giving us an opportunity to see the report and make these comments.

Yours sincerely,



Sasha Wiggins