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Saskia Wilks
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Dear Saskia,

Thank you for providing Barclays the opportunity to comment on the recent Banking on Climate Change: Fossil Fuel Finance Report, which examines banks' financing of fossil fuels activities, and links to concerns about climate change. We have engaged in constructive dialogue with the report's authors Rainforest Action Network, BankTrack and Reclaim Finance and have provided feedback on its findings and methodology. We would like to take the opportunity to supplement what is covered in the report with additional information on the efforts we are undertaking to address climate change and recent commitments that we have made that relate directly to the areas covered in the report. Unfortunately, these were not covered in the research due to the timing of the publication.

We believe that Barclays should take a leading role in tackling climate change. The size and scale of our business means that we can make a real difference in helping to accelerate the transition to a low-carbon economy. That is why in March 2020, we announced our ambition to become a net zero bank by 2050. We've also made a firm commitment to align our entire financing portfolio to the goals of the Paris Agreement. That means our own operations, and the financing we do for our clients, in every sector, will support the goal of limiting global warming. We will share more information about our approach, methodology and related targets later this year, in advance of beginning to report on our progress from 2021.

Our strategy to align with the goals of the Paris Agreement will cover all of our portfolio in time. But there are some immediate changes we have made to the financing we provide in particularly sensitive energy sub-sectors that are covered in the Fossil Fuel Financing Report, but not captured in the report findings given the timing of the publication. These changes are:

Increased prohibitions on thermal coal

- We will prohibit financing to clients with more than 50% of their revenue from thermal coal mining and/or power as of 2020, transitioning to 30% as of 2025, and to 10% as of 2030.

No financing for energy projects in the Arctic Circle

- We will not finance energy projects in the Arctic Circle. Furthermore, we will not provide any financing to companies whose primary business is oil and gas exploration and production operations in the Arctic Circle.

Helping to reduce the environmental footprint of oil sands

- We will only provide financing to clients who have projects to reduce materially their overall emissions intensity and a plan for the company as a whole to have lower emissions intensity than the level of the median global oil producer by the end of the decade. We have been in deep discussions with the government of Canada about this and believe that this position, which it supports, is the right position to adopt and the best way of enabling our clients which have operations in the oil sands to participate in transition

Financing restrictions and due diligence requirements for fracking

- We will not finance projects involving fracking in Europe or the UK. We will assess all projects involving fracking outside of Europe and the UK with enhanced due diligence.

Alongside our strategy to align with the goals of the Paris Agreement, we will also increase our commitment to green and sustainable finance, with a new target to provide at least £100bn of Green Finance by 2030. We expect the proportion of green financing in our portfolio to increase significantly over time as we support the shift to a low-carbon economy.

We appreciate the opportunity to share with you and other stakeholders the efforts we are undertaking to respond the concerns raised in the Fossil Fuel Financing Report. Further information on our approach to climate change can be accessed at https://home.barclays/society/our-position-on-climate-change/

Yours sincerely,

Vicky McAllister
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