



Experiences in Retail Banking

Mark Evans

27th September 2007



CEO Support & Focus

“There is no escaping the fact that climate change and its profound consequences are now firmly established as the most pressing and serious challenge facing mankind”.

“The lens through which we will be judged will be provided by future generations - by our children and grandchildren. My test is that our children should look back at what I and Barclays did in 2007 and beyond, and be able to say 'they recognised the immensity of the challenge, they evaluated it sensibly and they were amongst the leaders who, by their actions and influence, really made a positive difference'. More than anything, I want my children to be able to look me in the eye and to say with conviction 'You played your part'.”

John Varley, Group Chief Executive





Barclays Climate Action Programme

1. Reduce carbon dioxide (CO₂) emissions by improving energy efficiency
2. Buy renewable energy
3. Make our UK operations carbon neutral by offsetting the remaining CO₂ emissions
4. Offer products and services that help our customers to reduce their impact on climate change
5. Engage with key stakeholders and contribute to the debate on climate change action.

Barclays Climate Action Programme

1. Reducing emissions

UK targets for 2006-2010

- Reduce CO2 emissions by 20% by 2010 (2000 baseline yr)
- Reduce energy consumption in offices/branches by 20% per employee
- Improve data centre efficiency
- Reduce carbon intensity per £1m income

What we've done

- Multi million pound investment in energy efficiency
 - Remote monitoring
 - Motion sensors/Upgrade air handling units
 - New water cooling systems for data centres
 - Audio/video conferencing
 - EST review of car fleet
 - Developing green travel plan



CO2 emissions per UK employee



3%

UK carbon intensity



4%

Cost savings >£2m in 2006



Barclays Climate Action Programme

2. Renewable Energy

In 2007, 50% of Barclays UK electricity comes from renewable sources (vs 3% previously)

- Supplied via EDF Energy from wind, small scale hydro, landfill, bio-gas etc.
- Reduce carbon footprint by up to 125k tonnes per year
- Accredited by Ofgem

3. Going Carbon Neutral

Remaining carbon dioxide emissions have been offset

- Approx 223k tonnes offset in 2006
- Offset via Clean Development Mechanism (CER's) & Community Energy Projects (VER's)



Barclays Climate Action Programme

4. New Products & Services

- Climate Change is also a business opportunity which has allowed us to drive a world first in the credit card market



MUST-HAVE MANIA!

Forget the designer Sainsbury's bag that sold out in minutes - here are the season's 20 essential buys for which you really want to be first in the queue



18 **Barclaycard Breathe** Take the guilt out of shopping and sign up for the Barclaycard

Breathe credit card, which will see Barclaycard donate 50 per cent of the card's profits to green projects dedicated to reducing carbon emissions around the world. Pre-register for yours at barclaycardbreathe.com



Barclaycard Breathe



How are UK consumers reacting?

80% of the UK population believe climate change will affect them & their family*

75% now feel pressure to change the way they live to reduce climate change*

48% consider social & environmental issues when deciding which company to buy from**

33% are “not very confident” or “totally lacking in confidence” when it comes to knowing what they can do to help the environment***

*Green barometer by Energy Saving Trust – Apr'07 (1192 households)

**Concerned Customer Index – Mar '07 (1004 adults)

*** Barclaycard research – Apr 07 (1200 adults)



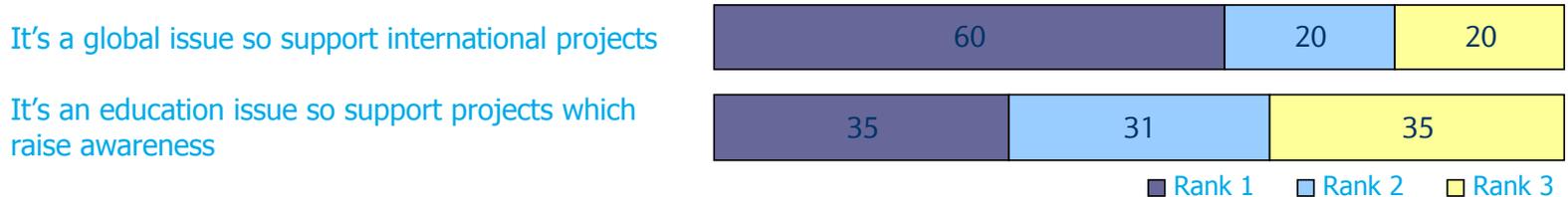
Barclaycard Breathe – customer research key outputs

Executive Summary

- Proposition needs to be simple / clear / accompanied with an honest & transparent message
- Climate change was the most popular environmental issue – understood link to carbon emissions
- High perception that being green was expensive
- 82% of those surveyed were either 'very interested' or 'interested' in an environment proposition
- 60% either 'very or fairly likely' to take up the proposition

Initiatives most likely to get involved in

Of all respondents surveyed the two most popular initiatives were:



Suitable card elements

It's important that the card is not just perceived as a product but meets as many 'green' elements as possible:





Barclaycard Breathe: easy to understand, appealing & believable

Lead Proposition

1. **For climate carers:**

"Spend on your card and Barclaycard will donate 50% of profit to environmental projects that help reduce carbon emissions"*

- All monies invested in a variety of UK & worldwide environment projects via a credible 3rd party partner (Pure – The Clean Planet Trust.)

2. **For offer seekers:**

"Special offers on greener spend:"

- 5.9% APR for life on Greener spend (Public transport – rail, bus, ferry)
- 5.9% APR for life & discounts on energy saving products & services via retailer partnerships

* Profit after tax on this individual card proposition only
£1 Million guaranteed per annum

Core Pricing

- 5.9% APR for life on Greener spend and specific 3rd Party partnership deals
- 14.9% APR (variable) on all other spend
- 0% BT for 6 months (2.5% fee)

Online Customer Experience

- Online statements only (no paper)
- Online marketing literature (e.g. Welcome booklet / T&C's)
- Dedicated microsite:
www.barclaycardbreathe.co.uk
(Including carbon calculator / education / environment project news & updates)
- No direct mail
- 'The Together Campaign' website
www.together.com

Card & Communication

- PETg card substance
- Recycled paper where possible (e.g. card carriers / PIN mailers)



Barclaycard Breathe – The Together Campaign



PRIME MINISTER WRITES FOR *Sun*
**We'll beat climate change
if we're in it TOGETHER**

**Barclaycard and More Than
join the green revolution**

Blair backs top companies' green schemes

**'Super 8' firms
bid to turn us
all into greens**

Businesses plan to cut household carbon by 10%

& We're in this Together

CEO LETTER

To All Our Customers,

We have listened to you and you said that you want products and services that are good for the environment. You want simple, easy and affordable ways to save energy and do the right thing for the climate. You believe that businesses and governments should do their part and that the best results will be achieved when everyone works together.

From today, we commit to launching products and initiatives designed to help every household in the UK reduce emissions by at least one tonne over the next three years. That's a potential saving of 25 million tonnes in the UK – more than the combined emissions of Scotland and Wales together.

We plan to increase the partnership to include more and more brands that are familiar to you and part of your life, to make doing your part not only achievable, but easy.

We believe we can only deal with climate change if we do it together.

Signed,

Ian Cheshire, CEO, B&Q



Antony Jenkins, CEO, Barclaycard



Phil Bentley, MD, British Gas



Stuart Rose, CEO, Marks & Spencer



Matthew Key, CEO, O2



Bridget McIntyre, UK CEO,


James Murdoch, CEO, Sky

Sir Terry Leahy, CEO, Tesco



"We fully support this inspiring and groundbreaking campaign. The Government will continue to give a lead in tackling climate change both at home and internationally to reduce emissions globally. By working together - as individuals, businesses and nations - we can meet this challenge and safeguard our way of life and our planet."

Tony Blair, Prime Minister

David Miliband, Secretary of State for Environment, Food & Rural Affairs

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