

3<sup>rd</sup> September 2019[REDACTED]  
Global Witness  
Washington, DC

Barclays.com

Dear [REDACTED],

Thank you for your letter to our CEO, Jes Staley dated 30<sup>th</sup> August 2019, regarding Barclays' 2014 financing for Olam International Ltd and related deforestation concerns.

Barclays recognises that tropical deforestation is a critical environmental issue, and a key driver of climate change and biodiversity loss. We are committed to supporting clients that promote sustainable forestry and agribusiness practices, and are a signatory to the New York Forest Declaration of the United Nations and its objective of supporting all endeavours to cut natural forest loss in half by 2020, and to end it by 2030. We are also a founding member of the Banking Environment Initiative's Soft Commodities Compact, which commits us to helping our corporate clients in a number of sectors, including palm oil and pulp & paper, to achieve zero net deforestation.

Barclays understands that a major cause of deforestation is the production of these commodities, and we therefore have a specific due diligence approach for these sectors which we review and evolve on an annual basis. Our approach is outlined in our [Forestry & Palm Oil Statement](#) which was published earlier this year, and includes specific requirements of clients involved in palm oil production such as Olam. For example, the Statement requires that such clients:

- Prohibit the conversion or degradation of primary tropical forests, High Conservation Value (HCV) and High Carbon Stock (HCS) areas and peatlands.
- Obtain full RSPO certification of all owned plantations and mills, or establish a time-bound action plan to achieve this within three years.
- Adopt a public commitment to no net deforestation, no peatland development and no exploitation (NDPE).

With regard to the loan facility secured by Olam in 2014, we are unable to share the specific outcomes of our prior due diligence process for confidentiality reasons. However, we have a long-standing commitment to understanding the environmental and social risks associated with our lending activities, supported by stringent environmental and social impact assessment policies and practices together with risk escalation procedures. These are applied across our business and are an integral component of those business decisions which have potentially material social and environmental impacts. We aim always to take a responsible approach and give careful consideration to such impacts before decisions are approved.

In relation to the issues raised by Mighty Earth report in its 2016 report "Palm Oil's Black Box", we were pleased to observe that following the publication, Mighty Earth and Olam entered in dialogue and agreed to work together on a number of initiatives, including addressing the concerns identified by Mighty Earth in Gabon. This agreement was renewed in 2018, with both parties agreeing in a [joint statement](#) that "significant progress had been made across the board. Olam and Mighty Earth agreed on a number of new commitments demonstrating their shared interest in developing sustainable agriculture". We support the constructive approach to engagement taken by both parties to resolve the issues raised and achieve more sustainable outcomes both in Gabon and elsewhere.

We appreciate you taking the time to write to us, and I would be happy to continue the conversation.

Yours sincerely,

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