

# Citi's Net Zero Commitment



**In March 2021, we announced our intent to achieve net zero emissions by 2050, including net zero for our own operations by 2030.**

In line with that commitment, we have published our initial net zero by 2050 plan in our [2021 TCFD Report](#), including 2030 emissions targets for our Energy and Power loan portfolios. These targets were developed in line with Net-Zero Banking Alliance (NZBA) [Guidelines for Climate Target Setting](#).

## Net Zero Framework

For our net zero by 2050 commitment, we have established the below framework:

- 1. Calculate Emissions:** Calculate baseline financed emissions for each carbon-intensive sector
- 2. Transition Pathway:** Identify the appropriate climate scenario transition pathway
- 3. Target Setting:** Establish emissions reduction targets for 2030 and beyond
- 4. Implementation Strategy:** Engage with and assess clients to determine transition opportunities
- 5. External Engagement:** Solicit feedback from clients, investors and other stakeholders as this work continues to evolve and we collectively define net zero for the banking sector

“Supporting a fair and inclusive transition to net zero remains a top priority for Citi. This is who we are, and we will continue to learn and lead as the global community enters this next critical stage of climate action.”

**Jane Fraser,**  
CEO



## Net Zero 2030 Targets

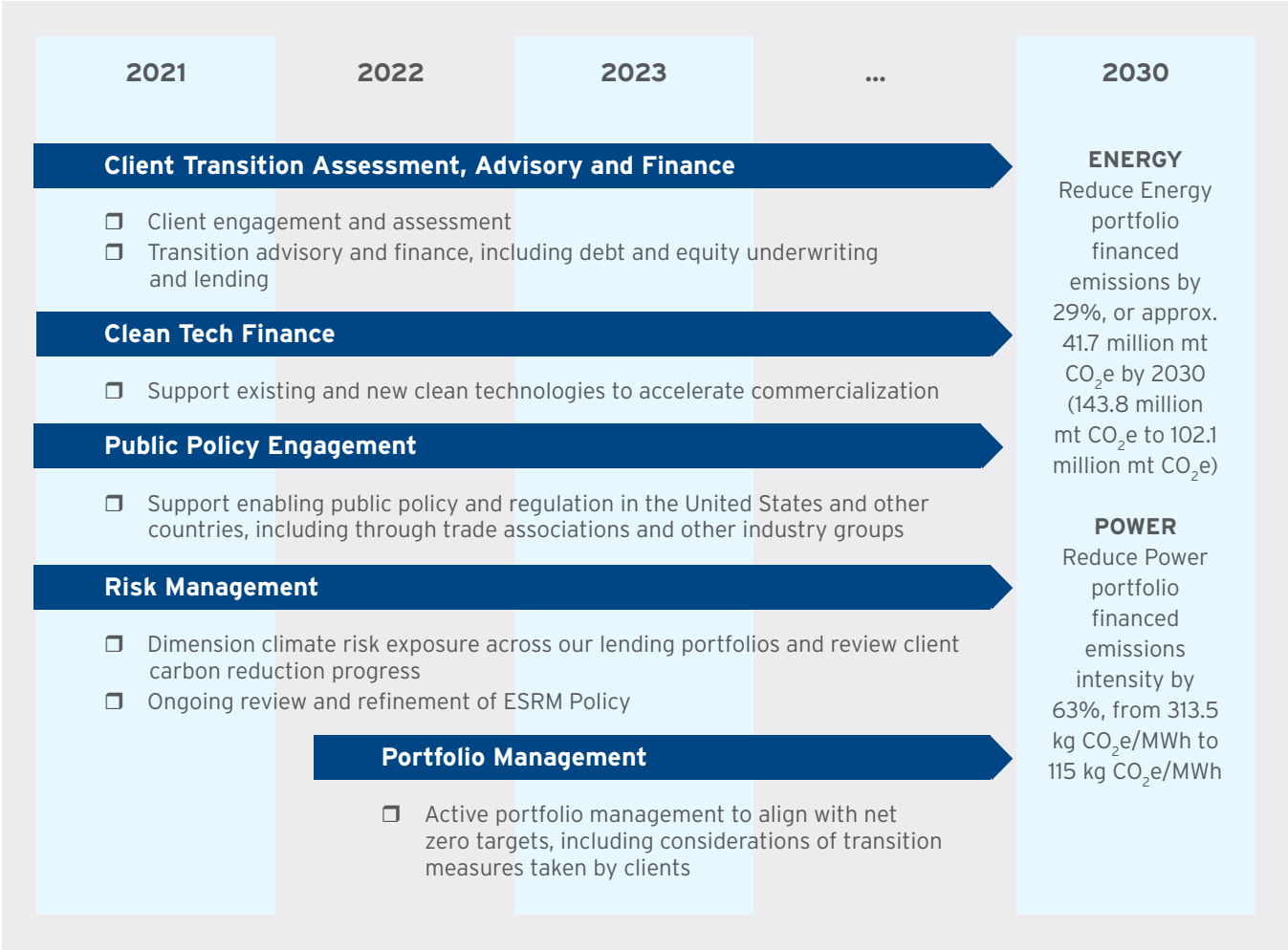
2030 financed emissions targets for Citi's Energy and Power loan portfolios:

| Sector                           | 2020 Baseline <sup>1</sup>                | Climate Scenario             | 2030 Target  |
|----------------------------------|---|------------------------------|--|
| <b>Energy</b><br>(Scope 1, 2, 3) | <b>143.8</b> million mt CO <sub>2</sub> e | IEA <a href="#">NZE 2050</a> | <b>29%</b> reduction from 2020 baseline<br><b>102.1</b> million mt CO <sub>2</sub> e     |
| <b>Power</b><br>(Scope 1)        | <b>313.5</b> kg CO <sub>2</sub> e/MWh     | IEA <a href="#">SDS OECD</a> | <b>63%</b> reduction in Scope 1 intensity per MWh<br><b>115</b> kg CO <sub>2</sub> e/MWh |

<sup>1</sup> Baseline based on available data as of September 2021. Further updates to improve data quality of the baseline numbers may result in changes to both the 2020 baseline numbers and the 2030 targets.

# Net Zero Plan – Energy and Power

Citi’s initial net zero plan for our Energy and Power loan portfolios will include actions laid out in the following timeline:



## Client Engagement and Assessment

The first step of our net zero plan involves engagement, client by client, to understand their GHG emissions disclosure and perspectives and plans on carbon transition. Additionally, we will review clients’ public disclosures, their climate governance, and the commitments and actions they have taken to date. We anticipate that this initial review phase will continue through the end of 2023.

The key considerations that will frame client engagement include public disclosure of GHG emissions and reduction targets, climate risk ratings, and transition plans.



# Net Zero Transition Principles

As we transition our business to net zero, Citi will be guided by the Transition Principles below. We expect these principles to evolve as we collectively learn with our clients, peers, investors and other stakeholders.

We recognize that in addition to private sector action, a net zero future will also require public policy and technology solutions, which we will actively support. While we acknowledge that fully transitioning the global economy will take decades, we understand the urgent need for near-term actions that will deliver the rapid emissions reductions required.

We will uphold our mission of enabling growth and progress and will be proactive in helping to drive an orderly transition, while also contributing to broad sustainable development objectives.

**Net Zero Leadership** - Set net zero targets that are ambitious, transparent and aligned with climate science, consistent with our leadership in sustainability over the past two decades. Help define net zero for the banking sector, including through our membership in the Net-Zero Banking Alliance.

**Focus on Transition** - Partner with our clients through their transition, ensuring appropriate alignment with our net zero commitment and helping them navigate the challenges they face. Assist clients and governments as they evaluate the carbon-intensive assets in their portfolios and consider responsible asset retirements or divestments, giving consideration to the destination, transparency and stewardship of these assets as we assess transactions and transition plans.

**Social Responsibility** - Strive to ensure that our net zero transition is consistent with other sustainable development objectives. We will also assess how our financing decisions could affect lower-income communities, developing countries and communities dependent on carbon-intensive sectors, balancing the need for carbon reduction with the potential negative impacts on access to energy and economic dislocation. We will be mindful that some of these same communities could also be faced with some of the worst impacts of climate change.

**Client Transparency** - Partner with our clients, with the ultimate goal of helping them decarbonize. If we decide to exit a client relationship, communicate the time frame and rationale in a transparent manner, taking into account worker and community impacts.

**Constructive Engagement** - Work with the public sector, clients, civil society and our peers to transparently promote and support climate policies, regulations and the scaling of new technologies that are required for an orderly transition.

**Disclosure** - Report annually on our progress and our transition as we learn.

Please see [Citi's 2021 TCFD Report](#) for further information.