



April 23, 2021

Christen Dobson
Business & Human Rights Resource Centre
120 Wall Street, 16th Floor
New York, NY 10005

Via e-mail

Dear Ms. Dobson,

Thank you for your inquiry regarding the Rainforest Action Network Fossil Fuel Report Card.

Central to Citi's [2025 Sustainable Progress Strategy](#) are Citi's concerns about the climate crisis and our need to play a leadership role in addressing it. As the world's most global bank, our exposure to fossil fuels is connected to our exposure to the global economy, placing us in an important economic position to help drive the global economy to net zero. We recognize that a critical step in that journey will be a drastic reduction of emissions from fossil fuel sectors in the coming decade, but we also realize it's not feasible to shut down the fossil fuel economy overnight. The transition needs to be accelerated but also managed to minimize the shock to our economy and communities.

We have been on a trajectory of enhancing our approach to fossil fuels and the low-carbon transition over the last few years, including enhancing our policies, restructuring our business teams, establishing new environmental finance commitments, conducting climate risk analysis and continuing our vocal advocacy for robust public policy. The most recent steps we have taken, detailed in our [Environmental and Social Policy Framework](#), are as follows:

- In 2020, we updated our ESRM fossil fuel sector standards, including prohibitions for project-related financing of thermal coal mines, coal-fired power projects and Arctic oil and gas exploration and development.
- In 2020, we also updated our thermal coal mining policy to reduce our credit exposure to thermal coal mining companies by 50% by 2025 and to zero by 2030; after 2025, we also will not provide capital markets or mergers and acquisitions advisory and financial services to thermal coal mining companies.
- In 2020 we joined the Partnership for Carbon Accounting Financial and committed to disclosing the emissions associated with our lending portfolio. We also released our [second climate risk disclosure report](#) aligned with the Recommendations of the Taskforce on Climate-related Financial Disclosures.
- In 2021, we established a new coal-fired power policy, which is designed to help our power clients transition. The policy includes a set of increasing expectations for Paris alignment that our clients



with coal-fired power will be expected to meet by transitioning their companies and phasing out coal (by 2030 for assets in OECD countries, 2040 for non-OECD countries).

- On March 1, 2021, on her first day as CEO, Jane Fraser announced Citi's commitment to achieve net zero emissions by 2050, which will cover our operational footprint (by 2030) and our financing of our clients' activities. As part of the announcement, we stated our intent to develop emissions reduction targets for carbon-intensive sectors, including interim emissions targets for 2030 for our Energy and Power portfolios.
- On April 21, 2021, Citi became a [founding member of the Net Zero Banking Alliance](#), which will form a part of the Glasgow Financial Alliance for Net Zero. This commitment will help guide our net zero framework to ensure it aligns with science-based requirements, the expectations of our stakeholders and emerging industry best practice.

Meeting our net zero commitment will require unprecedented partnership with our clients as well as with government. We know that to achieve net zero as a society, we also will need strong public policy frameworks to drive the transition and to support the new technology and innovation that are needed to move the global economy to net zero. This is why Citi has since 2019 participated in the CEO Climate Dialogue, pushing along with other companies across sectors for robust and durable climate policy in the United States, including a price on carbon, and has publicly supported the Biden Administration's announcement of an ambitious, science-aligned Nationally Determined Contribution to the Paris Agreement.

We appreciate the opportunity to share with you and other stakeholders our response to date to the urgent demand for action posed by the climate crisis. We look forward to sharing continued updates with all stakeholders as our work progresses.

Sincerely,

A handwritten signature in blue ink that reads "Ariel Meyerstein". The signature is fluid and cursive.

Ariel Meyerstein
Senior Vice President, Sustainability & ESG
Citi