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VIA EMAIL

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

Dear Ms. Dobson and Ms. Flacks,

Thank you for your inquiry regarding the Fossil Fuel Report Card and the opportunity to comment on it. We have maintained a constructive and transparent dialogue with Rainforest Action Network and BankTrack and some of the other sponsors of the annual Fossil Fuel Report Card. We annually provide detailed feedback to the Report Card's authors on its methodology and findings, and we would like to supplement what is covered in the Report Card with additional information on our extensive efforts to address climate change. These include public advocacy, avoiding project-specific impacts and leveraging our core strength to finance our clients' environmental solutions and supporting them through the transition to a low-carbon economy.

Citi's engagement in assessing and addressing human rights risks and the impacts associated with climate change dates back over a decade. We have had a public commitment to respect human rights since 2007, when Citi became the first major U.S.-based bank to issue a [Statement on Human Rights](#), which we updated most recently in 2018. In our 2018 update, we noted that the global and long-term effects of climate change presented a "systemic risk" to human rights and that addressing that risk is at the forefront of our broader sustainability efforts to mitigate the impacts of our clients' activities while increasing our involvement in environmental and sustainable finance.

This recognition builds upon years of public advocacy by Citi in support of governmental efforts to address climate change, such as the Paris Agreement. Our public engagement goes back to our Climate Position Statement published in 2007. That statement was followed in 2015 by a statement we co-authored with five other banks to express support for the development of the Paris Agreement. In 2017, Citi CEO Michael Corbat, along with his counterparts in 30 other large companies, signed an open letter to the U.S. President that laid out the business case for the Paris Agreement. After the U.S. announced it would be withdrawing from the Paris Agreement, we also signed the "We Are Still In" declaration. Citi was also an early supporter of the disclosure framework put forward in the Recommendations issued in June 2017 by the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures.

And just a few weeks ago, as one of 13 founding signatories of the Guiding Principles for Federal Climate Action, we called for a U.S. climate policy – including an economy-wide price on carbon – that would ensure significant emissions reduction of 80% or more by 2050 with aggressive near and mid-term reductions commensurate with this goal.

Beyond our public advocacy, Citi has leveraged its core strength, providing financial products and services, in the pursuit of a series of ambitious environmental finance goals. These have included our \$50 billion climate finance initiative and, most recently, our 10-year \$100 Billion Environmental Finance Goal, launched in 2014, to finance and facilitate environmental and climate solutions. We have provided extensive public reporting on our progress towards the goal, including the publication of our 2017 report, [Sustainable Growth at Citi](#), and have financed and facilitated \$95.3 billion towards the goal in just five years. In addition to our own efforts, we have helped develop and/or endorsed societal and market-based initiatives aimed at accelerating the transition to a low carbon economy, such as the Green Bond Principles and the Natural Capital Declaration.

As noted in our [Environmental and Social Policy Framework](#), Citi also evaluates climate-related risks of financed projects under our Environmental and Social Risk Management (ESRM) Policy. In addition to project-level due diligence and reporting conducted in accordance with the Equator Principles, Citi has taken steps to address the concentration of risk in sectors linked to fossil fuels. In 2015 we instituted our policy to reduce our credit exposure to the coal mining sector, which has declined materially. In 2019 we finalized a policy to restrict our direct financing of coal-fired power generation and to review our power utility clients' climate risk mitigation and alignment with a 2 degree warming scenario.

We have also enhanced our efforts to better understand the impact on Citi's lending portfolios from transition and physical risks related to climate change. We participated along with 15 other banks in the UN Environment Finance Initiative pilot project to implement the TCFD recommendations. In addition to contributing to the pilot's two reports on modeling physical and transition risk, we also published our first TCFD report, [Finance for a Climate-Resilient Future](#), in November 2018.

We appreciate the opportunity to share with you and other stakeholders the efforts we have made to respond to these concerns, including our engagement with our clients on these issues.

Sincerely,



Ariel Meyerstein
Senior Vice President, Corporate Sustainability
Citi