Citibank

As the second largest global funder of fossil fuels, Citi's climate risk exposure is irresponsibly high. Investors can encourage banks to lower their exposure to climate risk by publishing a transition plan and committing to a phaseout of fossil fuel development and exploration. Investors are encouraged to vote against directors responsible for climate risk oversight.

Financing activities misaligned with climate goals

Total financing to fossil fuel companies (2016-2021)	**$285 billion**
Financing to companies expanding fossil fuel assets since joining NZBA (April 2021- August 2022)	**$30.5 billion**
Global Fossil Fuel Financing Rank (2016-2021)	**#2**
Fossil fuel financing as a percent of total financing (2016-2021)	**7%**
Public transition plan?	**NO**
Absolute emissions targets?	**YES**
Paris-Aligned financing?	**NO**
Adequate board oversight?	**NO**

Transition plan status

No resolution filed at Citibank on this issue this year.

Absolute emissions targets

Citibank has already adopted absolute emissions targets for its energy sector clients. No further action is needed.

Financing of fossil fuel development and exploration

Citibank lacks sectoral policies necessary to align its financing activities with the goals of the Paris Agreement, misaligning the bank with both its public commitments and science-based transition pathways.

Continued financing of fossil fuel expanders: Citibank financed $47.3 billion to its top five upstream fossil clients (Exxon Mobil Occidental Petroleum, Saudi Arabian Oil, Marathon Petroleum, and Petroleo Brasileiro) in the six years following the Paris Agreement. Those five companies alone are currently developing 19.3 billion barrels of oil equivalent in hydrocarbon resources beyond what is compatible with IEA's net zero pathway to limit warming to 1.5˚C.. Citi is the biggest funder of fossil fuel expansion in Africa and biggest funder of state-run fossil fuel projects in the Amazon.

Lacking commitments: As a member of NZBA, Citi has committed to transition emissions from their lending and investment portfolios. Criteria from the Race to Zero, of which Citi is also a member, makes clear that financial institutions must "phase out...development, financing and facilitation of new unabated fossil fuel assets, including coal, in line with appropriate global, science-based scenarios." However, Citi lacks sectoral policies to align its financing activities accordingly with the goals of the Paris Agreement. It is continuing to finance the expansion of new fossil fuel reserves and has indicated no plan to phase out these activities. In March 2023, Citi announced targets to cut coal financing by 2030, but notably excluded underwriting of stocks and bonds and remained silent on whether it would phase out its financing activities to fossil fuel expanders.

Without sectoral policies to phase-out financing of projects and companies expanding fossil fuel assets, Citi is not able to credibly claim alignment with the Paris Agreement, industry group pledges, or net-zero goals.

Inadequate board oversight of climate risk

Citibank has unacceptably high exposure to climate risk. Citi continues to be the second largest global financier of fossil fuel expansionists, does not contribute its fair share toward financing climate solutions, and does not disclose adequate information on climate risk or associated business strategies to investors. This position comes despite publicly committing to both net-zero alignment and to financing climate solutions, years of engagement from investors and stakeholders, and growing regulatory pressure.

Investors have felt it necessary to file two resolutions calling on Citi to strengthen and disclose its climate policies. The need for such resolutions demonstrates a lack of confidence by investors in the board's ability to adequately manage climate risk and disclose such strategies to investors.

For failure to provide adequate oversight and transparency, votes are warranted against the following members of Citi's Risk Management Committee for failure to align the bank's strategies with 1.5°C pathways: Ellen Costello, Grace Dailey, Barbara Desoer, John Dugan, Duncan Hennes, Casper von Koskull, and James Turley.

Additional Bank-Specific Risks

Reputational Risk:
Public discontent with Citi has been growing as stakeholders have accelerated efforts to point out shortcomings in Citi's climate strategies. Activists around the country have attended protests outside of bank offices for at least seven years, elevating a narrative that Citi is responsible for funding the climate crisis. Growing civil society targeting has irrevocably linked the bank to controversial fossil fuel expansion projects such as the Line 3 Pipeline, Dakota Access Pipeline, and the LNG buildout in the public eye. Citi is a key target of over 200 activist groups, with over ten million global members. Citi has been profiled in several reports for its continued provision of financial services to fossil fuel companies. Such efforts have led to negative media coverage of Citi's climate policies and financing activities in a range of news outlets, including *Market Watch*, *The Washington Post*, *Fortune*, and *The New York Times*, among others.

In its 2023 10-K, Citi acknowledges that climate change "presents both immediate and long-term risks to Citi and its customers and clients, with the risks expected to increase over time," highlighting the impacts of both physical and transition risk. Citi additionally flags that an insufficient or ineffective climate management strategy may negatively impact Citi's business, reputation, ability to attract investors, or efforts to recruit and retain employees.