



WHEREAS: Banks play a critical role in meeting the Paris Agreement’s goal of limiting global warming to 1.5 degrees Celsius, requiring net zero greenhouse gas (GHG) emissions by 2050. [Projections](#) have found that limiting global warming to 1.5 degrees versus 2 degrees will save \$20 trillion globally by 2100, and exceeding 2 degrees could lead to climate damages in the [hundreds of trillions](#). Yet in 2019, the Bank of England [reported](#) that the global financial system supports carbon producing activities that will cause temperature rise greater than 4 degrees Celsius – double the limit necessary to avoid catastrophic warming.

This carbon intensive funding creates systemic portfolio risks to the global economy, investors, and banks’ profitability. The United States’ Commodity Futures Trading Commission recently [acknowledged](#) that climate change could impair the productive capacity of the national economy. Recognizing growing risk, the European Investment Bank, the largest global multilateral lender, [will stop funding](#) fossil fuel projects in 2021. Over half the syndicated lending of major American banks is exposed to climate transition risk, with Citibank [placing in the top three](#).

Citigroup’s financing contributes to this global climate risk. Citi is the [third largest source](#) of financing to fossil fuel companies globally, averaging nearly \$47 billion annually since the Paris Agreement was signed. Its investments in fossil fuels have *increased* each year since 2016, with an over 13% increase in 2019.

In contrast, peer U.S. banks are following the lead of other global banks in beginning to address the GHG emissions associated with their financing activities. Morgan Stanley has [committed](#) to reach net zero financed emissions by 2050. JPMorgan made a Paris aligned financing commitment, with interim 2030 targets to be set soon. Bloomberg [noted](#) the importance of interim targets, challenging banks to pursue 50 percent reductions by 2030.

While Citi joined the Principles for Responsible Banking in 2019, has announced a sustainable impact fund and other sustainability measures, conducts climate risk assessments, [announced](#) its participation in the global Partnership for Carbon Accounting Financials (PCAF) to measure and disclose its financed emissions, and has limited coal and Arctic lending, it has not indicated whether it plans to reduce its total financed emissions in alignment with the Paris Agreement’s 1.5 degree goal, requiring net zero emissions. Its financing of fossil fuels has consistently been moving in the opposite direction.



BE IT RESOLVED: Shareholders request that Citigroup issue a report, at reasonable cost and omitting proprietary information, outlining if and how it intends to reduce the GHG emissions associated with its financing activities in alignment with the Paris Agreement's 1.5 degree goal, requiring net zero emissions.

SUPPORTING STATEMENT: Shareholders recommend the report disclose, among other issues, at board and management discretion:

- Whether the bank is considering setting Paris aligned, net zero targets, such as Science Based or other targets, and on what timeline, to reduce the carbon footprint of its financing activities.