

# Carbon Reduction Plan

Supplier name: Citigroup Global Markets Limited (CGML)

Publication date: 15/06/2023

## Commitment to Achieving Net Zero

CGML is committed to achieving Net Zero emissions for its operations by 2030.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

<b>Baseline Year:</b> 2010	
<b>Additional details relating to the Baseline Emissions calculations.</b>	
<p>At the global level, Citigroup Inc. (“Citi”) reports against 2010 baselines for its Scope 1 and Scope 2 emissions. However, Citi did not track Scope 3 emissions in 2010.</p> <p>In more recent years, we have made disclosures towards certain categories of Scope 3 emissions in our most recent TCFD Reports. However, these disclosures are at the Citigroup level and not specific to CGML and do not include Scope 3 emissions associated with downstream transportation and distribution. Furthermore, Scope 3 calculations in our TCFD reports are part of an initial screening inventory and are calculated based on a combination of spend data and emissions factors rather than U.K. DEFRA factors.</p> <p>For emissions associated with our operations, Citi tracks Scope 1 and 2 emissions at the facility level. Facilities used by CGML<sup>1</sup> may be shared with other Citi subsidiaries/entities. As such, facility-level emissions are prorated by headcount to obtain the estimated portion of emissions attributed to CGML only.</p>	
<b>Baseline year emissions for CGML:</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
	22,081 tCO <sub>2</sub> e (Location-based reporting)
<b>Scope 1</b>	39 tCO <sub>2</sub> e

<sup>1</sup> Non-UK facilities are not included in the boundary of this plan. UK located data centres are included in the boundary of this plan and its emissions are taken into account in the figures. The emissions are allocated by legal vehicle on a prorated basis.

<b>Scope 2</b>	22,042 tCO <sub>2</sub> e
<b>Scope 3 (Included Sources)</b>	N/A
<b>Total Emissions</b>	22,081 tCO <sub>2</sub> e (Location-based reporting)

## Current Emissions Reporting for CGML

<b>Reporting Year: 2022</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b> 16,487 tCO <sub>2</sub> e (Location-based reporting)
<b>Scope 1</b>	3,456 tCO <sub>2</sub> e
<b>Scope 2</b>	6,328 tCO <sub>2</sub> e
<b>Scope 3 (Included Sources)</b>	<ol style="list-style-type: none"> <li>1. <b>Upstream Transportation and Distribution:</b> While we have calculated Scope 3 emissions associated with upstream transportation and distribution as part of our 2022 TCFD report's screening inventory, these calculations are conducted at the Citigroup level using spend-based data in lieu of the DEFRA factors at the CGML level requested by this PPN. We will continue to evaluate our Scope 3 emissions inventory to determine which emissions are material to our operations.</li> <li>2. <b>Downstream Transportation and Distribution:</b> As a financial institution our primary product is the provision of financial services. Emissions associated with downstream transportation and distribution are not relevant to our services.</li> <li>3. <b>Business Travel (Air, Rail, Car):</b> 5,277 tCO<sub>2</sub>e</li> <li>4. <b>Employee Commuting:</b> 1,421 tCO<sub>2</sub>e</li> <li>5. <b>Waste:</b> 5 tCO<sub>2</sub>e</li> </ol>
<b>Total Emissions</b>	16,487 tCO <sub>2</sub> e (Location-based reporting)

## Emissions Reduction Targets

In March 2021, Citi announced its commitment to Net Zero emissions for its global operations by 2030, which will include Scope 1 and 2 emissions, and for our Scope 3, financed emissions, by 2050.

Our most recent TCFD Report, released in March 2023, includes our 2030 Scope 3 financed emissions reduction targets for our Auto Manufacturing, Commercial Real Estate, Energy, Power, Steel and Thermal Coal Mining loan portfolios, at a Citigroup level. At this time, we're continuing to evaluate our emissions screening among all Scope 3 categories to determine which are material and which we will have the ability to mitigate. This exercise will prioritize engagement and actions across our supply chain.

## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

Citi has been measuring its environmental footprint for two decades and began reporting on its direct operational impacts in 2002. As part of our Sustainable Progress Strategy, we set goals to reduce our operational footprint and integrate sustainable practices across Citi. These goals are aligned with a pathway to limit global temperature rise to 1.5°C and cover GHG emissions, energy use, water consumption, waste reduction and diversion, and sustainable building design. Working toward these goals also helps us make progress towards our Net Zero commitment for Citi operations.

In the UK and Northern Ireland, where CGML is located, Citi seeks energy efficiency by investing capital in energy efficiency projects and identifying operational efficiency improvements. In the last decade, projects to improve our environmental footprint include the following:

- Energy Efficiency Investments:
  - In 2012 we commenced a LED lighting upgrade across offices, upgrading fluorescent lighting to LEDs with improved motion sensor and energy-saving, daylight controls.
  - Replaced hot water electric heaters that have reached their end-of-life period with air source heat pumps.
  - Invested in more efficient cooling equipment, including upgrading chillers, and installing inverter drives.
  - Significant refurbishments of facilities have been certified to LEED<sup>2</sup> standards to ensure that environmental considerations have been factored into building design.
  - In 2021 we installed solar panels on our UK data centre, which started generating electricity in 2022. The panels are forecast to reduce CO<sub>2</sub> emissions by 16 tonnes per annum.
  - In 2022 we announced the refurbishment of our EMEA HQ in Canary Wharf, London. By choosing to refurbish rather than move to a new build Citi will avoid over 100,000 tonnes of carbon being emitted. Updating infrastructure and

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<sup>2</sup> Leadership in Energy & Environmental Design

implementing efficiency measures will also minimise electricity consumption and reduce water consumption by 20%. Other decisions, such as reusing materials, a fully electric infrastructure and the installation of solar panels, will mean the building will emit zero carbon in normal operation and make the building consistent with Citi's commitment to reach Net Zero in its own operations by 2030. The project is targeting LEED, BREEAM<sup>3</sup> and WELL<sup>4</sup> certifications.

- Operational Efficiency:
  - Interval data analysis allows us to review and monitor savings from energy efficiency measures. This allows the company to consistently review the efficacy of proposed measures and identify any problems.
  - Optimising lighting control efficiency through timer control, lux levels.
  - Decommissioning unnecessary equipment.
  - Chiller sequencing optimised.
  - Implemented a zero waste-to-landfill initiative for operational waste in 2011 – reducing CO<sub>2</sub> emissions from waste.

### Future Carbon Reduction Initiatives

Citi purchases renewable electricity for its half-hour contracts, and where we do not purchase electricity directly, we purchase energy attribute certificates to match our consumption. For reporting purposes, we report location-based emissions.

On our path towards Net Zero emissions CGML will continue to evaluate the appropriateness of carbon reduction measures as necessary to meet this target and will take advantage of opportunities where appropriate, particularly in the areas of operational efficiency.

Citi is developing its Net Zero pathway and a core part of its strategy to achieve its 2030 Net Zero target for its operations will be its 2025 operational environmental goals. We will work to identify and implement opportunities to reduce our carbon footprint and in 2022 we undertook a detailed Net Zero audit of one of our Belfast offices, identifying opportunities to decarbonise the site.

## **Declaration and Sign Off**

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for GHG Reporting Protocol corporate standard<sup>5</sup> and uses the appropriate emission conversion factors for greenhouse gas company reporting.

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<sup>3</sup> Building Research Establishment Environmental Assessment Method

<sup>4</sup> WELL Building Standard

<sup>5</sup> <https://ghgprotocol.org/corporate-standard>

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

**Signed on behalf of the Supplier:**

A handwritten signature in black ink, appearing to be 'JB', written in a cursive style.

James Bardrick

CGML CEO

Date: 15/06/2023