

# Our Approach to Sustainable Finance

June 2025

## Introduction

---

An extension of our Credo, Citizens' enterprise-wide Sustainability & Impact strategy helps us build a better future for all those we serve. Led by robust corporate governance, this strategy helps guide the decisions we make. It means serving our customers and clients, engaging shareholders, monitoring our environmental impact, and empowering our colleagues and communities to thrive. The purpose of this document is to provide transparency into how we define and track progress against our 2030 Sustainable Finance Target, a key component of our approach. "Sustainable Finance" refers to Citizens' financing and facilitation of activities categorized as "green" and "social," as detailed below.

### Green

Promoting activities that support a broad array of environmental benefits such as helping our customers' transition to a lower-carbon economy, advancing green technologies, measuring and minimizing climate-related risks and mitigating the impacts of adverse climate events.

- **Renewable Energy** – Acquisition, development, construction, operation, installation and distribution of renewable energy generation sources, such as wind and solar
- **Energy Efficiency** – Projects, technologies, systems and products that reduce energy consumption, mitigate the production of greenhouse gases and/or otherwise increase energy efficiency
- **Green Buildings** – The development, acquisition, or retrofit of buildings that have received approved third-party verified green certifications
- **Clean Transportation** – Infrastructure, technology and products that promote the use of low-carbon transport solutions
- **Pollution Prevention and Control** – Facilities and technologies that mitigate, treat, and/or recycle emissions, contaminated soil and waste
- **Circular Economy** – Products, technologies and processes that support reusable, recyclable or refurbished components
- **Sustainable Water and Wastewater Management** – Infrastructure, systems and products that support sustainable water management efforts such as water conservation, wastewater treatment and flooding mitigation
- **Sustainable Management of Natural Resources** – Practices that enable environmentally sustainable agriculture, forestry and aquaculture, or otherwise support preservation of natural landscapes
- **Climate Change Adaptation** – Projects that improve infrastructure's resiliency to the impacts of climate change and support preparation for extreme weather events

## Social

Driving initiatives that support the well-being of society by advancing economic inclusion, increasing access to basic infrastructure and essential services, boosting employment generation and providing affordable housing.

- **Affordable Basic Infrastructure** – Projects that support access to affordable and safe drinking water, sewage treatment, sanitation, energy, and transport
- **Food Security** – Expenditures related to improving food security, reducing food waste, and/or supporting resilient agriculture practices
- **Access to Essential Services** – Support for programs, companies, initiatives or services that promote access to financial services, education, healthcare, utilities and other services
- **Affordable Housing** – Mortgage lending for underserved communities and affordable multi-family housing developments
- **Employment Generation** – Small and medium-sized enterprise financing, upskilling and other activities that are designed to prevent and/or alleviate unemployment stemming from socioeconomic barriers

## Determining Eligible Sustainable Activities

Our sustainable activities conform to the latest industry-recognized standards and guidelines established by the organizations listed below. These standards and recommendations are voluntary and intended to promote integrity in the sustainable finance markets.

**International Capital Markets Association** – Trade association that serves as secretariat to the following publications:

- The Green Bond Principles
- The Social Bond Principles
- The Sustainability Bond Guidelines

**Loan Syndications and Trading Association** – Financial services trade group that has published a variety of primary market guidelines and memos, including:

- The Green Loan Principles
- The Social Loan Principles

**Climate Bond Initiatives** – International non-profit organization that identifies the assets, activities and projects needed to deliver a low carbon economy consistent with the goals of the Paris Agreement that have been supported with the following publications:

- Climate Bonds Standard
- Climate Bonds Taxonomy

## Relevant Business Lines and Products

---

Sustainable Finance across Citizens originates from a variety of business lines, including advisory and facilitation services, in addition to traditional lending practices. Both new originations and the refinancing of existing facilities may be considered from Commercial Banking, including tax-equity investments and qualifying commercial real estate loans, as well as loans and investments for small businesses and other transactions that originate from Consumer Banking.

## Governance

---

We have leveraged existing governance structures and established new roles and competencies to provide accountability. This ensures that our Sustainable Finance tracking and reporting is aligned with industry best practices. While each business line is responsible for tagging relevant transactions as sustainable, we have designated subject matter experts to review these classifications. We have also established the Sustainable Finance Review Forum to provide oversight of governance and risk management processes associated with the identification, approval and reporting of green and social lending activity. Our ESG Executive Steering Council and relevant Board committees receive regular updates on Sustainable Finance issues.

## Reporting our Progress

---

Citizens is committed to maintaining transparency in our Sustainable Finance journey. We will share progress made against the Sustainable Finance Target in our annual voluntary reports.

[Learn more about our efforts.](#)



---

### Revision History

*Original Statement Effective Date: September 2023*

*Approved by the Statement Owner: September 2023*

*Version 2: June 2025*