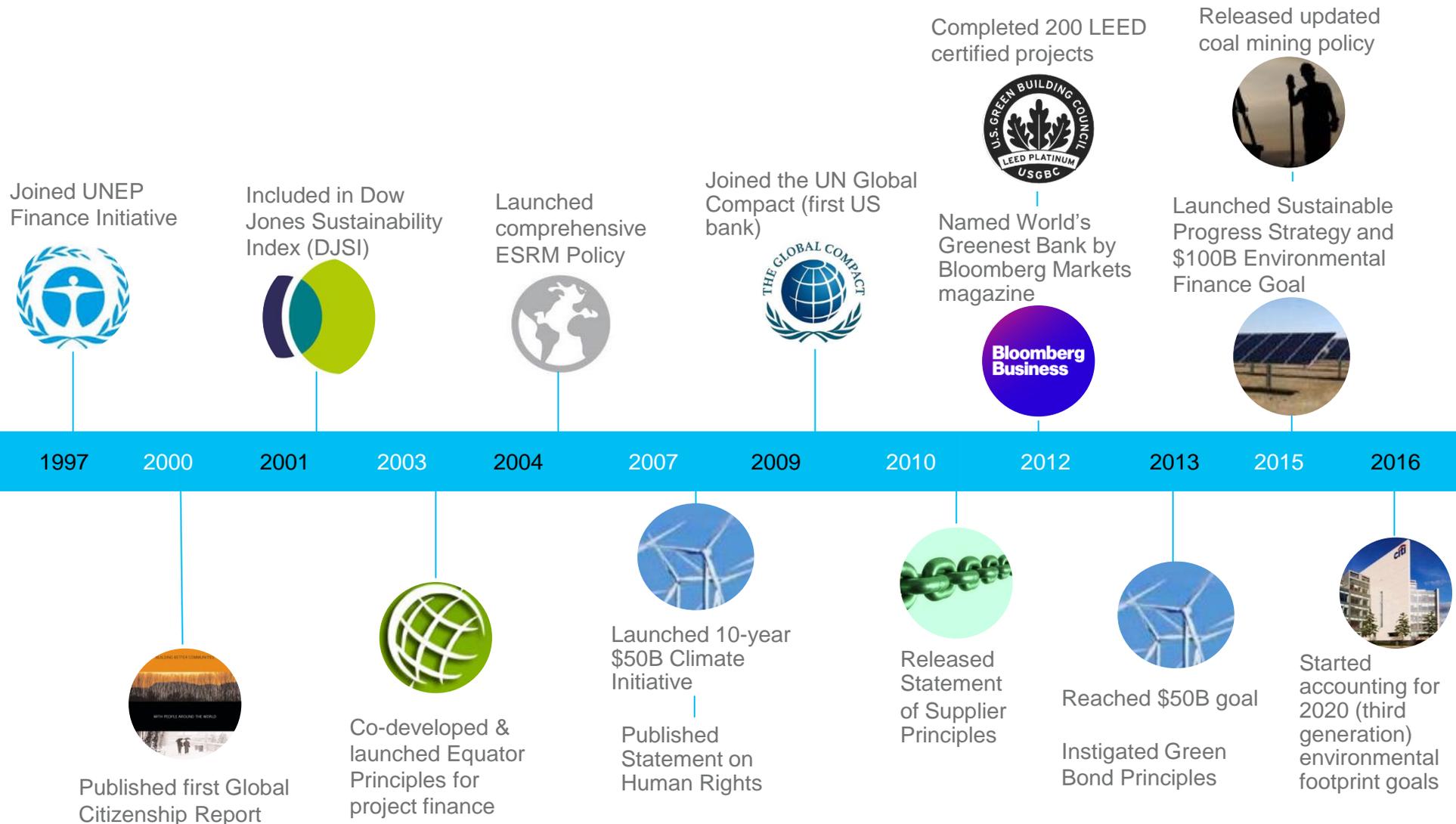




# Citi Sustainability and Outlook on Climate Finance

Little Rock  
December 14, 2016

# Over 15 Years of Sustainability Progress



# Citi's Sustainable Progress Strategy

Our activities are organized under three pillars: Environmental Finance, Environmental & Social Risk Management and Operations & Supply Chain.

## Environmental Finance



Lending, investing and facilitating \$100 billion over 10 years to activities focused on environmental solutions and reducing the impacts of climate change globally

## Environmental & Social Risk Management



Collaborating with our clients to manage environmental and social risks and impacts associated with our products and services

## Operations & Supply Chain



Managing our global facilities and supply chain to minimize direct impact, reduce costs and reflect best practices

## Engagement & Transparency

Engaging with stakeholders and our employees to achieve sustainable progress, and reporting on the results of our strategy and goals



# \$100B Goal: Criteria and Transactions

\$100 Billion Goal  
2014-2024

## Categories

Renewable Energy  
Energy Efficiency  
Transportation  
Green Buildings  
Clean Water  
Cleantech

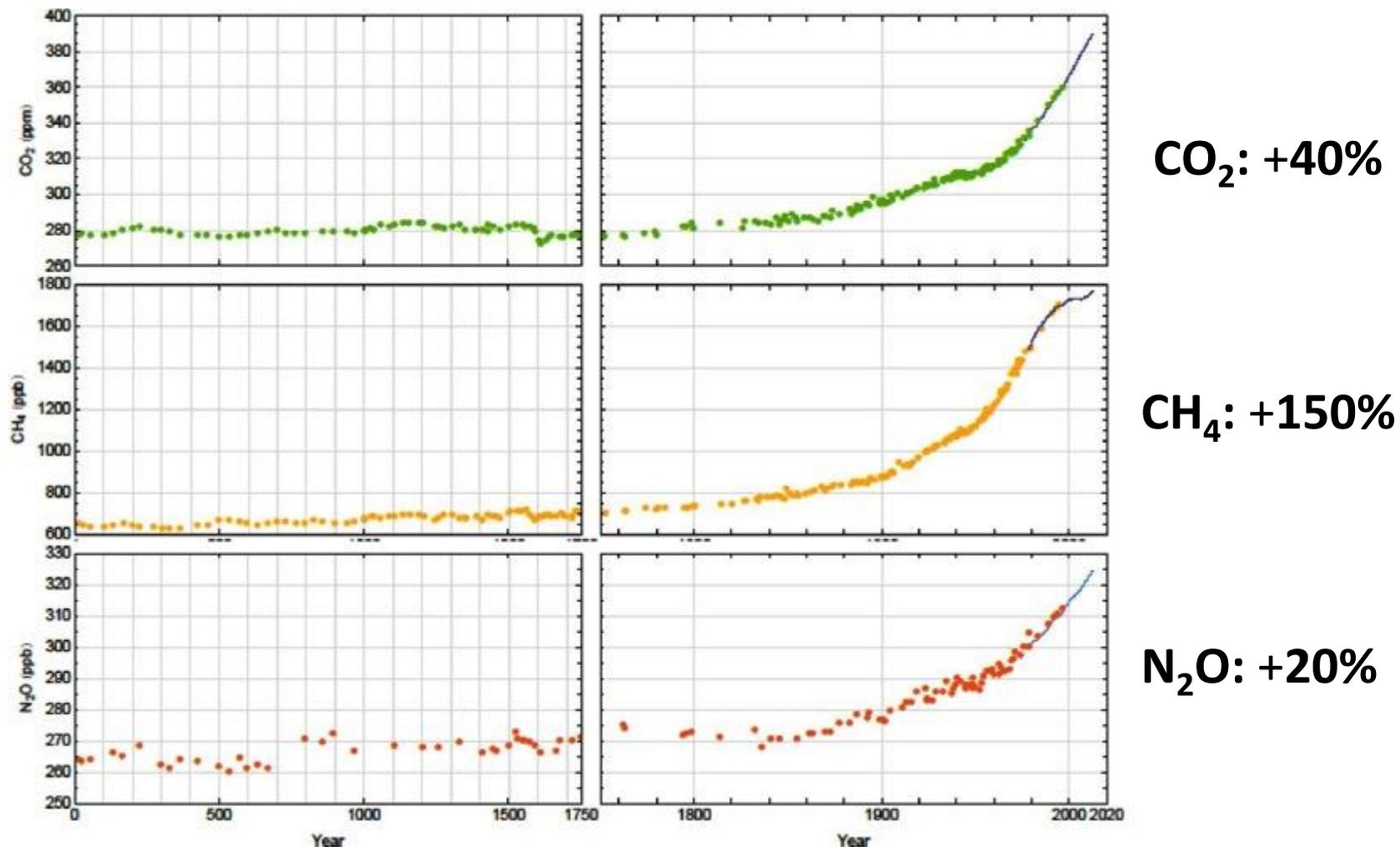
## Examples

Renewables IPO  
Yieldco Equity  
Green Bonds  
Wind Financing  
Solar Tax Equity  
Solar Bond  
PACE Financing  
EE Securitization  
Biofuels Financing  
Asset M&A  
Citi LEED Buildings  
Data Center Cogen

# The Thinness and Fragility of Our Atmosphere

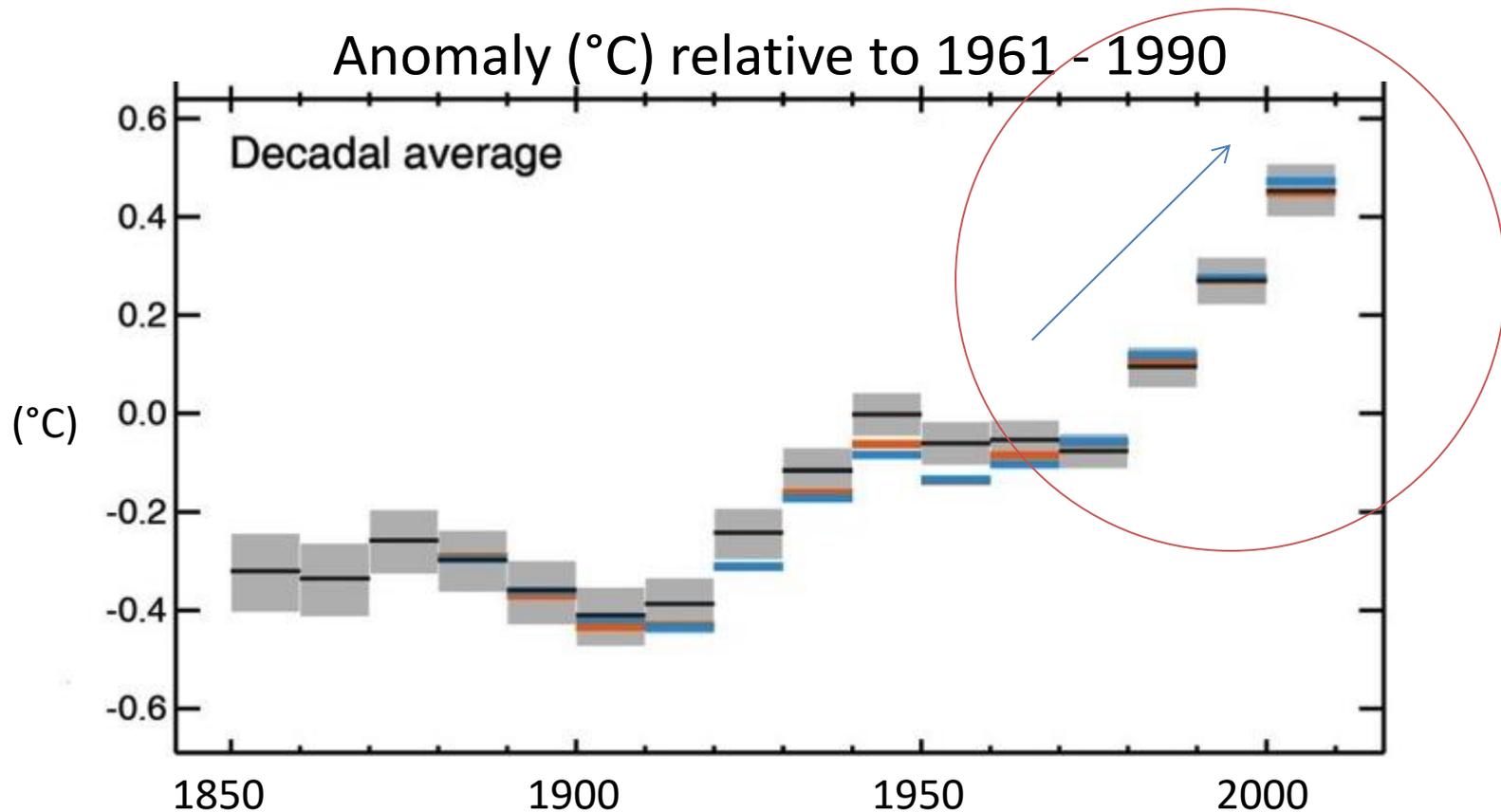


# IPCC 5<sup>th</sup> Report: Atmospheric concentrations of carbon dioxide, methane, and nitrous oxide have all increased since 1750, and especially since mid-1900s



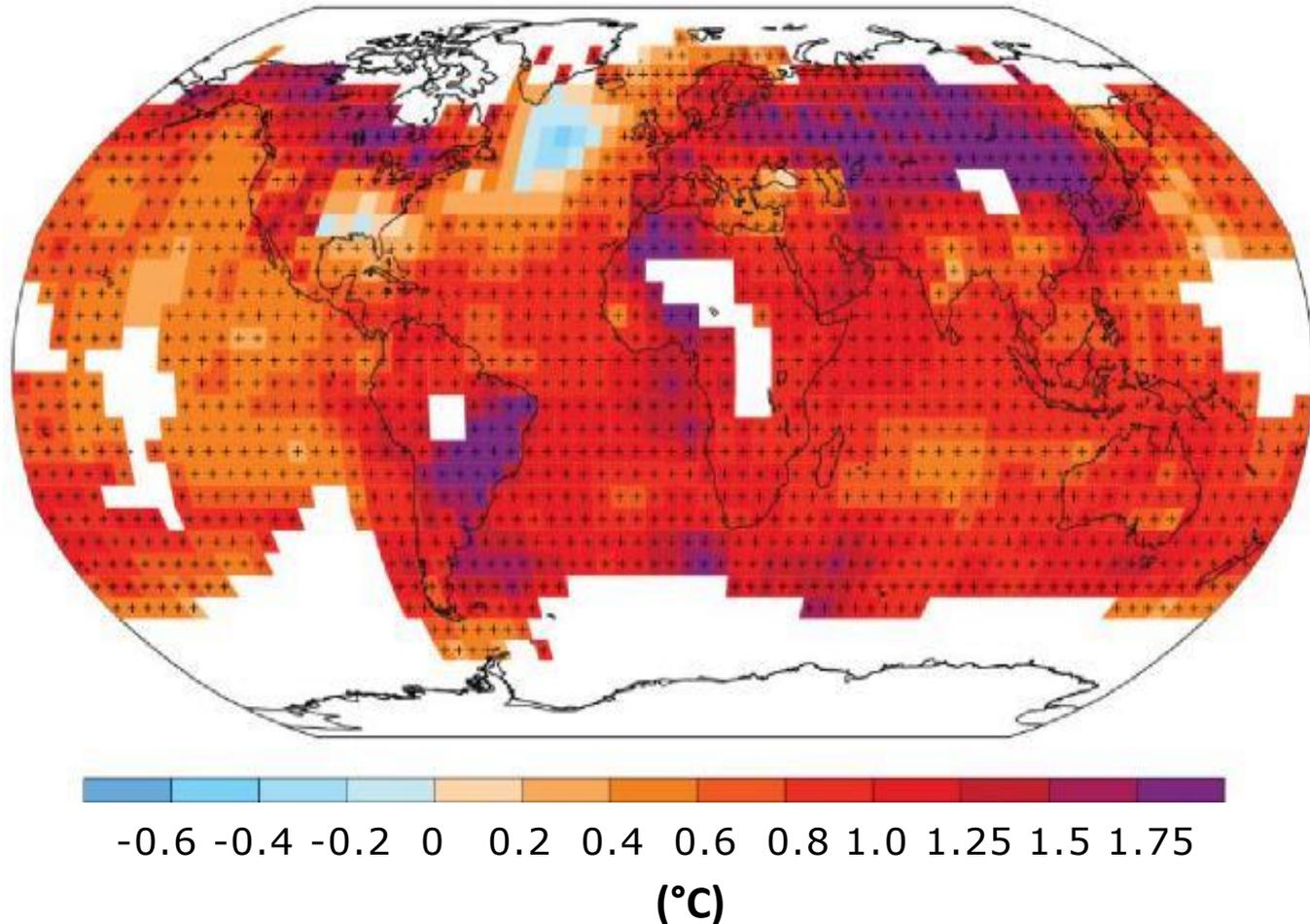
Source: IPCC AR5 Working Group 1: Climate Change 2013: The Physical Science Basis

**Each of the last three decades has been successively warmer at the Earth's surface than any preceding decade since 1850**



In the Northern Hemisphere, 1983–2012 was *likely* the warmest 30-year period of the last 1400 years (*medium confidence*).

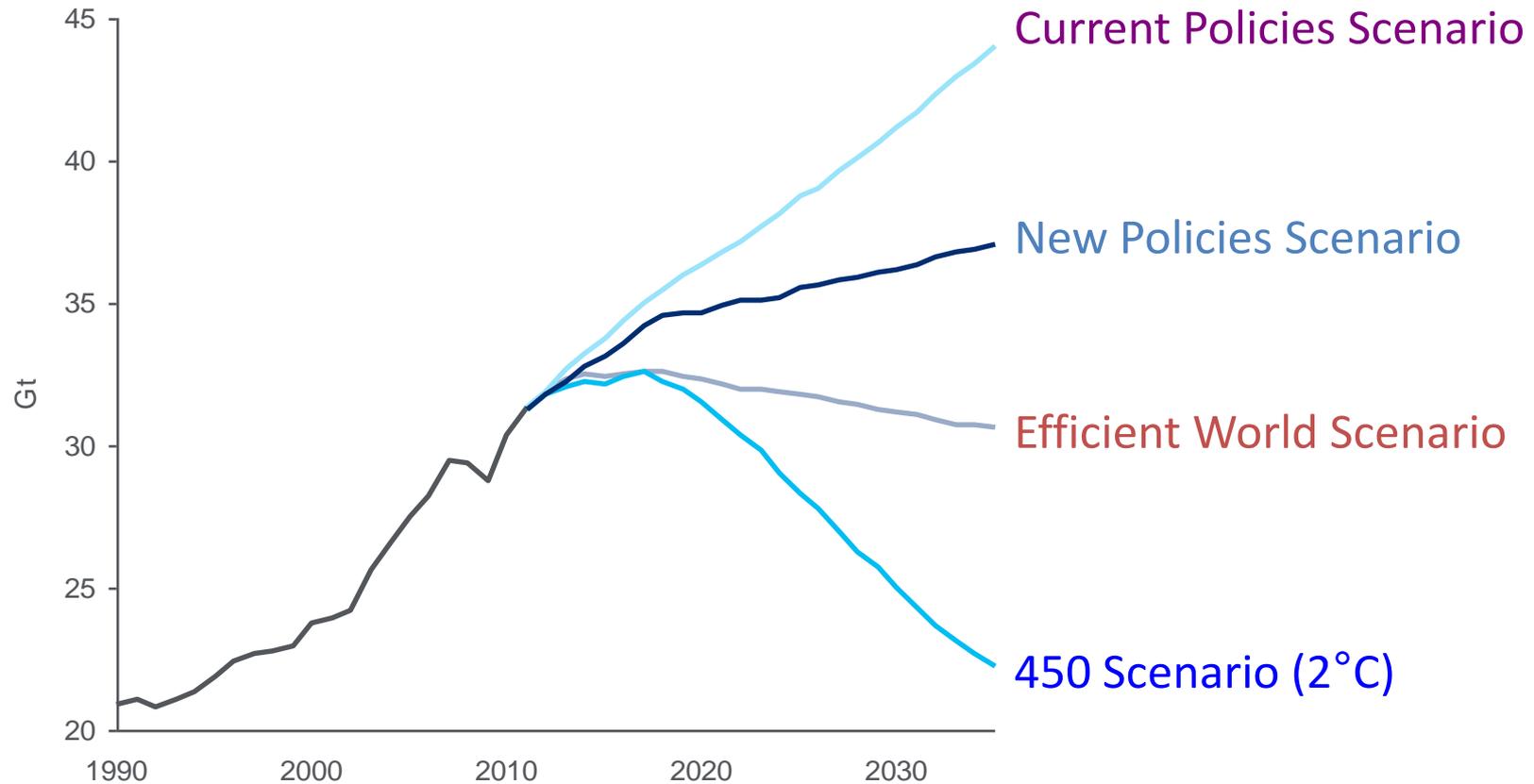
**Warming of the global climate is now unequivocal, and to a level of 90% certainty, it is due to human activity.**



Source: IPCC AR5 Working Group 1: Climate Change 2013: The Physical Science Basis

# The World is Trying to Respond...

## IEA's Global Energy-Related CO2 Emissions by Scenario

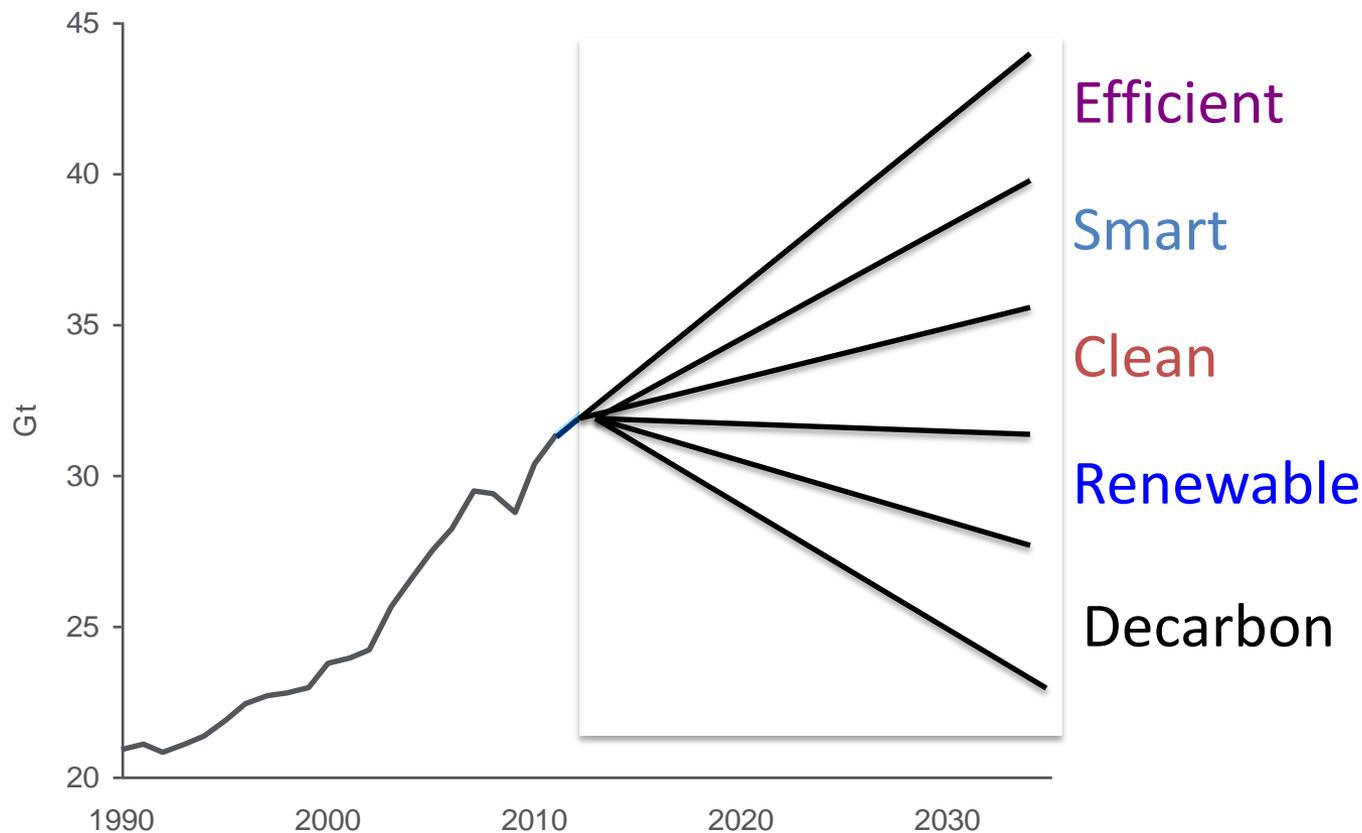


Source: International Energy Agency World Energy Outlook 2012.

(1) Other includes concentrated solar power, geothermal, marine energy, small hydro and wind offshore.

# Business Opportunities from Climate Policy

Five key words will guide energy in the next several decades...



Source: International Energy Agency World Energy Outlook 2012.

(1) Other includes concentrated solar power, geothermal, marine energy, small hydro and wind offshore.

# Outlook on Climate Finance

## Capital for Climate Solutions:

- Now at \$350 billion/year
- Need \$1-3 trillion/year

## Public Sector:

- In debt \$73 trillion vs \$73 trillion/year GDP
- Annual budgeting and pre-planning of funding
- Multi-lateral sector vitally important but small

## Private Sector:

- \$205 trillion in Capital Markets
- \$140 trillion in bonds, with \$12 trillion/year new issues
- \$65 trillion in stocks, with \$1 trillion / year new issues
- No annual budgets – continuous management of funds

## Solution:

- Public sector provides guarantees
- Private sector / capital market provides the funds



Thank You

[michael.eckhart@citi.com](mailto:michael.eckhart@citi.com)

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Citi believes that sustainability is good business practice. We work closely with our clients, peer financial institutions, NGOs and other partners to finance solutions to climate change, develop industry standards, reduce our own environmental footprint, and engage with stakeholders to advance shared learning and solutions. Highlights of Citi's unique role in promoting sustainability include: (a) releasing in 2007 a Climate Change Position Statement, the first US financial institution to do so; (b) targeting \$50 billion over 10 years to address global climate change: includes significant increases in investment and financing of renewable energy, clean technology, and other carbon-emission reduction activities; (c) committing to an absolute reduction in GHG emissions of all Citi owned and leased properties around the world by 10% by 2011; (d) purchasing more than 234,000 MWh of carbon neutral power for our operations over the last three years; (e) establishing in 2008 the Carbon Principles; a framework for banks and their U.S. power clients to evaluate and address carbon risks in the financing of electric power projects; (f) producing equity research related to climate issues that helps to inform investors on risks and opportunities associated with the issue; and (g) engaging with a broad range of stakeholders on the issue of climate change to help advance understanding and solutions.

Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

**efficiency, renewable energy and mitigation**