

Sustainable Deposits Program Framework

Introduction

Citizens' *Sustainable Deposits Program Framework* (the "Framework") in conjunction with the *Sustainable Deposits Loan Eligibility Criteria* (the "Loan Eligibility Criteria") outlines the operational and technical requirements associated with Sustainable Deposits and the Eligible Loan Portfolio. These documents illustrate Citizens' approach to the Sustainable Deposits Program only and are not intended to reflect Citizens' approach to any other product or its enterprise strategy as it relates to sustainability more broadly.

The Framework and Loan Eligibility Criteria have been developed by Citizens with the support of Morningstar Sustainalytics ("Sustainalytics"), a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies.¹ Citizens may update the Framework and Loan Eligibility Criteria from time to time as needed to ensure continued alignment with market practice.

How the Sustainable Deposits Program Works











Citizens' Sustainable Deposits Program allocates deposited dollars against a portfolio of Eligible Sustainable Loans and Investments ("Eligible Loan Portfolio"), which include both green and social activities.

- Loans are subject to internal governance process to confirm eligibility prior to inclusion in the Eligible Loan Portfolio. If, for any reason, an Eligible Loan is determined to no longer align with the Eligibility Criteria, it will be removed from the Eligible Portfolio within 5 business days of such determination.
- Citizens will use the current utilization amount of the Eligible Loan Portfolio less a 10% buffer balance to determine the maximum volume of Sustainable Deposits available ("Sustainable Deposit Capacity"). The buffer is in place to help avoid a scenario where the Sustainable Deposits volume exceeds the Eligible Loan Portfolio utilization.
- Any Sustainable Deposits volume in excess of the Eligible Loan Portfolio will be considered unallocated and temporarily included in balances in Citizens' account with the Federal Reserve.
- Citizens will report on the program-level allocation of the Sustainable Deposits to the Eligible Loan Portfolio in quarterly reports available to Sustainable Deposits clients. This will include the balance of Sustainable Deposits, the then-current Sustainable Deposit Capacity, the balance of unallocated Sustainable Deposits (if any) and subsequent excess capacity.

Loan Eligibility Criteria Summary

The following summarizes the themes and activities eligible for inclusion in the Eligible Loan Portfolio and where they broadly align with the United Nations Sustainable Development Goals (SDGs).²

For a complete list of the eligible activities and the associated financing criteria, reach out to your Relationship Manager to request a copy of the *Sustainable Deposits Loan Eligibility Criteria*.

Green Categories	Summary Description	SDG Alignment
Renewable Energy	Acquisition, development, construction, operation, installation and distribution of renewable energy generation sources, such as wind and solar	  
Green Buildings	Development, acquisition, or retrofit of buildings that have received approved third-party verified green certifications	 
Energy Efficiency	Projects, technologies, systems and products that reduce energy consumption, mitigate the production of greenhouse gases and/or otherwise increase energy efficiency	  
Clean Transportation	Infrastructure, technology and products that promote 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 Categories	Summary Description	SDG Alignment
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	 

Sustainability at Citizens

An extension of our Credo, Citizens’ integrated, enterprise-wide Sustainability & Impact strategy helps us unite our values and purpose to build a more diverse and sustainable future for all those we serve. Led by robust corporate governance, this strategy guides the decisions we make. It means serving our customers and clients, engaging shareholders, reducing our environmental impact, and empowering our colleagues and communities to thrive. Our four focus areas: Leading with Robust Governance; Driving Positive Climate Impact; Building the Workforce of the Future; and Fostering Strong Communities speak to the strengths of our Company, align with our business priorities, and define how we can drive sustainable growth and have a positive impact on our business, society, and the planet.

For more detail on our work, you can visit our [Sustainability & Impact](#) page.

¹ For over 25 years, Sustainalytics has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in their policies, practices and capital projects.

² Sustainable Development Goals alignment provided by Sustainalytics.