

California's Voluntary Carbon Market Disclosures Business Regulation Act (AB 1305) ("VCMDA")

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AB 1305 44475 Disclosure Requirement

Citizens currently offers a Carbon Offset Deposit Account product that allows our commercial clients to incorporate their sustainability goals into their banking strategies. With credit earned on deposit balances, clients can purchase high quality carbon offsets, which are retired on their behalf. Citizens uses a third-party vendor to market voluntary carbon offsets to our clients.

The specific VCMDA disclosure requirements for our Voluntary Carbon Offset projects for 2023 can be found below. The data provided in the tables below are based on the project registry and third-party verification documents for each of the projects listed below. Please reference the link for additional details on the Carbon Program Framework: [Carbon Offset Deposit Account | Sustainability Solutions | Citizens \(citizensbank.com\)](#)

Project 1

Project Name	Tradewater US ODS#3
Registry	American Carbon Registry (ACR)
Registry ID	ACR875
Registry Link	https://acr2.apx.com/mymodule/reg/prjView.asp?id1=875
Applicable Vintage	2023
Project Description	The project activity is the destruction of eligible ODS refrigerant, mainly R-22 and R-113, for which ownership was transferred to Tradewater for the purpose of destruction.
Protocol (a1)	American Carbon Registry - Destruction of Ozone Depleting Substances and High-GWP Foam, Version 2.0 (February 2023)
Location (a2)	1100 Haskins Road, Bowling Green, OH 43402, USA
Project Timeline (a3)	4/19/23 - 5/16/23
Project Start Date (a4)	4/19/2023
Emissions Reduction Dates & Quantities Issued (a5)	2023 vintage: 67,967 mT issued 7/28/23
Project Type (a6)	Ozone Depleting Substances - avoided emissions
Standards Met (a7)	Project vintage meets standard of American Carbon Registry's Destruction of Ozone Depleting Substances and High-GWP Foam, Version 2.0 as evidenced by registry listing and third-party verification reports.
Durability (a8)	N/A - Emissions avoided through permanent destruction of greenhouse gases
Third Party Verifier (a9)	Ruby Canyon Environmental - Reporting Period 4/19/23 - 5/16/23 (covers 2023 vintage issued 7/28/23)
Volume of emissions reduced or removed annually (a10)	2023 vintage: 67,967 mT issued 7/28/23
Reversal Measures (b)	NA - avoided emissions that have already occurred and cannot be reversed
Source data to reproduce / verify emissions reduction or removal credits issued (c)	Refer to project documentation uploaded to the registry. https://acr2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aProj=pub&tablename=doc&id1=875

Project 2

Project Name	Kimble Sanitary Landfill Gas Project
Registry	Climate Action Reserve (CAR)
Registry ID	CAR621
Registry Link	https://thereserve2.apx.com/mymodule/reg/prjView.asp?id1=621
Applicable Vintage	2020
Project Description	Project began to collect landfill gas from old, closed portion of operation beginning 12/28/2009. Gas is currently collected and destroyed using an open flare system from LFG Specialties.
Protocol (a1)	Climate Action Reserve - Landfill Project Protocol Version 5.0 (April 24, 2019)
Location (a2)	3596 SR 39 NW, Dover, Tuscarawas County, OH 44622, USA
Project Timeline (a3)	12/28/2009 - 09/25/22
Project Start Date (a4)	12/28/2009
Emissions Reduction Dates & Quantities Issued (a5)	2020 vintage: 193,750 mT issued 8/6/21, 1698mT issued 9/13/22
Project Type (a6)	Landfill Gas Capture/Combustion - avoided emissions
Standards Met (a7)	Project vintage meets standard of Climate Action Reserve's Landfill Project Protocol Version 5.0 as evidenced by registry listing and third-party verification reports.
Durability (a8)	N/A - Emissions avoided through permanent destruction of greenhouse gases
Third Party Verifier (a9)	Ruby Canyon Environmental - Reporting Period 12/28/2019 - 12/27/2020 & Agri-Waste Technology, Inc. Reporting Period 12/28/2020 - 12/27/2021 (covers 2020 vintage issued 8/6/21 and 9/13/22)
Volume of emissions reduced or removed annually (a10)	2020 vintage: 193,750 mT issued 8/6/21, 1698mT issued 9/13/22
Reversal Measures (b)	NA - avoided emissions that have already occurred and cannot be reversed
Source data to reproduce / verify emissions reduction or removal credits issued (c)	Refer to project documentation uploaded to the registry. https://thereserve2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aProj=pub&tablename=doc&id1=621

Project 3

Project Name	Surry County Landfill
Registry	Climate Action Reserve (CAR)
Registry ID	CAR911
Registry Link	https://thereserve2.apx.com/mymodule/reg/prjView.asp?id1=911
Applicable Vintage	2021
Project Description	New landfill gas management and utilization project. This project is being developed to reduce GHG emissions and to produce renewable energy from the capture and destruction of landfill methane. Initially a Gas Collection and Control System, which includes all equipment, infrastructure, and components of the facilities including but not limited to collection wells; piping; gas monitoring and control devices; blowers; and flare system and safety equipment. Gas clean-up; power generation (internal combustion units); grid interconnect; and other ancillary system components will be implemented under the LFGTE phase of the project.
Protocol (a1)	Climate Action Reserve - Landfill Project Protocol Version 3.0 (December 2, 2009); Errata and Clarifications to Landfill Project Protocol Version 3.0 (June 18, 2015)
Location (a2)	237 Landfill Road, Mount Airy, Surry County, NC, USA
Project Timeline (a3)	4/30/2013 - 4/29/2023
Project Start Date (a4)	4/30/2013
Emissions Reduction Dates & Quantities Issued (a5)	2021 vintage: 22,855 mT issued 11/30/22
Project Type (a6)	Landfill Gas Capture/Combustion - avoided emissions
Standards Met (a7)	Project vintage meets standard of Climate Action Reserve (CAR) Landfill Project Protocol Version 3.0 and Errata and Clarifications as evidenced by registry listing and third-party verification reports.
Durability (a8)	N/A - Emissions avoided through permanent destruction of greenhouse gases
Third Party Verifier (a9)	Ruby Canyon Environmental - Reporting Period 12/28/2020 - 12/27/2021 (covers 2021 vintage issued 11/30/22)
Volume of emissions reduced or removed annually (a10)	2021 vintage: 22,855 mT issued 11/30/22
Reversal Measures (b)	NA - avoided emissions that have already occurred and cannot be reversed
Source data to reproduce / verify emissions reduction or removal credits issued (c)	Refer to project documentation uploaded to the registry. https://thereserve2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aProj=pub&tablename=doc&id1=911

Project 4

Project Name	Johnston County Landfill Project
Registry	Climate Action Reserve (CAR)
Registry ID	CAR880
Registry Link	https://thereserve2.apx.com/mymodule/reg/prjView.asp?id1=880
Applicable Vintage	2020
Project Description	The project involves the development of a landfill gas collection and control system and future beneficial use project at the Landfill. In particular, vertical extraction wells will be installed in Phases 3, 4, 4a and 5 of the Landfill and an open flare will be installed to destruct the gas. It is anticipated that the wellfield will be expanded and a landfill gas to energy project will be implemented in the future.
Protocol (a1)	Climate Action Reserve - Landfill Project Protocol Version 5.0 (April 24, 2019)
Location (a2)	680 County Home Road, Smithfield, Johnston County, NC, USA
Project Timeline (a3)	8/15/2011 - 8/14/2031
Project Start Date (a4)	8/15/2011
Emissions Reduction Dates & Quantities Issued (a5)	2020 vintage: 29,938 mT issued 5/13/21
Project Type (a6)	Landfill Gas Capture/Combustion - avoided emissions
Standards Met (a7)	Project vintage meets standard of Climate Action Reserve (CAR) Landfill Project Protocol Version 5.0 as evidenced by registry listing and third-party verification reports.
Durability (a8)	N/A - avoidance credit
Third Party Verifier (a9)	Ruby Canyon Environmental - Reporting Period 1/1/2020 - 12/31/2020 (covers 2020 vintage issued 5/13/21)
Volume of emissions reduced or removed annually (a10)	2020 vintage: 29,938 issued 5/13/21
Reversal Measures (b)	N/A - Emissions avoided through permanent destruction of greenhouse gases
Source data to reproduce / verify emissions reduction or removal credits issued (c)	Refer to project documentation uploaded to the registry. https://thereserve2.apx.com/mymodule/reg/TabDocuments.asp?r=111&ad=Prpt&act=update&type=PRO&aProj=pub&tablename=doc&id1=880

AB 1305 44475.1 Disclosure Requirement

Citizens currently does not purchase or use voluntary carbon offsets when making claims regarding carbon neutrality.

AB 1305 44475.2(a) Disclosure Requirement

Citizens retained Stantec Consulting Ltd. (“Stantec”), an independent third-party international professional services company, to perform limited verification on its emissions data. Stantec is a top-tier global design firm that offers engineering, architecture, energy, water, and project management services for various sectors and projects. Stantec verified that Citizens emissions reporting complies with *ISO 14064-3: 2019 Greenhouse Gases - Part 3* standards. Stantec also verified that Citizens’ emissions reporting complies with the *GHG Protocol Scope 2 Guidance, 2015*.

Stantec verified the following information regarding carbon emissions on which Citizens makes a reduction claim:

- Energy use information for all fuel sources that comprise the Scope 1 and Scope 2 emission categories. Scope 1 direct emissions include: stationary fuel combustion of fuel oil, natural gas, propane, and diesel; mobile fuel combustion of diesel, gasoline, and jet fuel; and fugitive refrigerant emissions. Scope 2 emissions include indirect emissions associated with the purchase of electric power, market and location based.

Verified energy use information comes directly from Citizens facilities, owned fleet vehicles, and the owned corporate jet. For facility energy use, Citizens relies on actual utility bills that are gathered by a third-party vendor that assists with the activity data management, quality assurance and control, and the completion of the GHG and energy calculations. Stantec is responsible for planning and executing the verification to deliver a limited level of assurance opinion as to whether the GHG and Energy Use Assertions were presented fairly and in accordance with the verification criteria. Fuel data from Citizens owned fleet vehicles and owned corporate jet is provided by the associated vendors to Stantec. Citizens publishes market and location-based emissions calculations, and Stantec verifies both approaches. Citizens can then measure year-over-year reductions in Scope 1 and Scope 2 emissions, which form the basis of its public performance goals. Citizens publishes actual emissions in metric tons of carbon dioxide equivalent (commonly expressed as MT CO₂e).

Performance goals are calculated directly from Stantec-verified emissions data. As a result, Citizens calculates its Scope 1 and Scope 2 performance goals, usually expressed as a percentage increase or decrease in emissions from the prior year, without reliance on Stantec. Citizens may publish ‘actual’ and ‘legacy-only’ emissions data to account for significant events, such as a merger or acquisition.

Citizens continues to make progress on its operational sustainability efforts and in September 2023 announced its intention to be carbon neutral by 2035. Citizens set Scope 1 and 2 emissions targets in 2021 that will be achieved through ongoing energy conservation investments and energy reduction initiatives across the company’s footprint. By 2035, Citizens is targeting to offset the remaining Scope 1 and 2 emissions through high-quality offsets and renewable energy credits. Last year, Citizens entered into a virtual power purchase agreement with Ørsted that supports the construction of a wind generation facility in Kansas, demonstrating Citizens commitment to renewable energy as a key part of its transition to a lower-carbon economy.

Citizens current carbon reduction goals as mentioned above, its progress against current goals, and its most recent ESG and TCDF Reports can be found on the company’s website: [Corporate Responsibility Report Archive | Citizens \(citizensbank.com\)](#).

AB 1305 44475.2(b) Disclosure Requirement

Citizens retained Stantec Consulting Ltd. (“Stantec”), an independent third-party international professional services company, to perform limited verification on its emissions data.

Citizens Scope 1 and Scope 2 emissions are not validated as being “science-based” by a third party.