

BUILDING TOMORROW TOGETHER

Corporate Responsibility Report 2020

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A letter from our Chairman and Chief Executive Officer

Building Tomorrow Together



Welcome to Citizens' fourth annual Corporate Responsibility Report.

In last year's report I wrote about some of the many steps Citizens was taking to support our customers, colleagues and communities in the face of the challenges brought on by the coronavirus pandemic. Government measures to protect the population and shore up the economy, along with concerns over racial equity and social justice, forced all of us to contend with unprecedented conditions. Financial institutions played a critical role in helping society navigate these myriad challenges, and I'm pleased to say that Citizens rose to the occasion time and again, exemplifying a Credo that calls for us to do our best every day to support our customers and communities.

While we will not achieve a new normal overnight, currently there is much cause for optimism. Vaccines are being distributed around the world, many employers are beginning to transition their workforces back to the office, and key economic indicators point to a robust recovery in 2021. As we join with our stakeholders in looking toward a post-pandemic world, the strength of our franchise will enable us to help each of them face the future with confidence.

Of course, our commitment to helping our customers and all those we serve reach their potential extends well beyond the coming recovery. Even as we navigated the uncharted waters of the pandemic we never took our eyes off the future, investing in a digital-first, data-driven strategy that will enable us to serve our customers well over the longer term as their needs continue to evolve.

Our continued focus in the area of corporate responsibility is another cornerstone of Citizens' ongoing focus on the future. We recognize that the actions we take now as a responsible corporate citizen will shape the future, not just for our business, but for our society and our planet. Here too our Credo provides a guiding light as we seek to serve our customers well, provide a great place to build a career, strengthen our communities and operate responsibly.

Responsible Citizenship

It is essential that our environmental, social and governance practices reflect our core values, and Citizens made additional meaningful progress in this area over the past year. That included establishing a formal corporate responsibility governance framework and completing our first materiality assessment to more specifically define ESG priorities. The outcome of the materiality assessment is included within this report, which for the first time aligns to both the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) reporting frameworks.

Further, we demonstrated our commitment to responsible citizenship in a number of areas over the past year.

As this report details, we continued to mobilize over the course of the past year to support our customers in areas such as payment assistance and flexibility on commercial lines of credit to support liquidity. In 2020 we also provided a total of \$4.8 billion in Paycheck Protection Program loans.

We made strides in the area of environmental stewardship over the past year, bringing the spirit of our Credo to life by working to help create a healthy and sustainable future. This includes minimizing our operational impact on the environment by striving to reduce greenhouse gas emissions, use less paper and water, and generate less waste. Additionally, we are working to further understand and manage the risks and opportunities from climate change across our business and help our customers plan for and manage climate change impacts.

Attracting great talent to the bank and fostering a diverse and inclusive environment is a central part of our ESG efforts. Fostering a culture where all feel respected, valued and heard is not only the right thing to do, it is a significant driver of a successful and sustainable growth strategy. We have taken significant steps to build awareness and capabilities alike for all colleagues, including promoting diverse recruiting efforts within the bank and at the board level, continuing to build inclusive programming and having an independent third party regularly assess pay equity.

As Citizens continued to transform to meet the evolving needs of customers, we also invested to ensure that our colleagues are well positioned to adapt to these marketplace changes. We focused on wellness and made significant investments to strengthen capabilities and build skills in critical areas. These ongoing efforts continued to bear fruit over the past year. Even as the pandemic changed the ways our colleagues worked and interacted we improved our enterprise-wide Organizational Health Index (OHI) score by 2 points from 2019, a 15-point improvement since 2014 that places us in the top quartile for the first time in this important measure.

Strengthening the communities we serve has long been a Citizens hallmark, and the events of the past year did not diminish our commitment to service. Since our last report we provided significant support for programs across our service area from the bank and Citizens Charitable Foundation. Notably, as part of our ongoing work to promote social equity, we built partnerships with and donated to additional national and local social equity organizations focused on driving sustained economic advancement and social equity in underserved communities. The details of these initiatives are included within this report. We also had more than 4,000 colleagues log over 122,000 volunteer hours during 2020, supporting 1,685 organizations. This is especially impressive given that a majority of volunteering had to be performed virtually.

Looking Toward Tomorrow

While this report provides a snapshot of our significant progress in the area of Corporate Responsibility, we recognize that our journey is ongoing. Armed with important direction from our ESG materiality assessment, we can now bring additional focus and discipline to tackling the areas that represent our most significant risks and opportunities, to the benefit of all. We look forward to reporting further progress in these key areas as we continue down this path.

Citizens' commitment to good corporate citizenship and responsible, sustainable growth is woven into the fabric of our company. We understand that acting as a good corporate citizen is not a burden to be borne. Rather, it is a catalyst for more rapid, thoughtful and effective execution that enables us to do more every day for all of our stakeholders, as we work together to build a better tomorrow.

Kind regards,



Bruce Van Saun

Chairman and Chief Executive Officer
Citizens Financial Group, Inc.

About Citizens Financial Group

Citizens Financial Group, Inc. is one of the nation's oldest and largest financial institutions, with \$183.3 billion in assets as of December 31, 2020.

Headquartered in Providence, Rhode Island, Citizens offers a broad range of retail and commercial banking products and services to individuals, small businesses, middle-market companies, large corporations and institutions. Citizens helps its customers reach their potential by listening to them and by understanding their needs in order to offer tailored advice, ideas and solutions.

In Consumer Banking, Citizens provides an integrated experience that includes mobile and online banking, a 24/7 customer contact center and the convenience of approximately 2,700 ATMs and approximately 1,000 branches in 11 states in the New England, Mid-Atlantic and Midwest regions. Consumer Banking products and services include a full range of banking, lending, savings, wealth management and small business offerings.

In Commercial Banking, Citizens offers a broad complement of financial products and solutions, including lending and leasing, deposit and treasury management services, foreign exchange, interest rate and commodity risk management solutions, as well as syndicated loans, corporate finance, merger and acquisition, and debt and equity capital markets capabilities.

More information is available at citizensbank.com or visit us on [Twitter](#), [LinkedIn](#) or [Facebook](#).

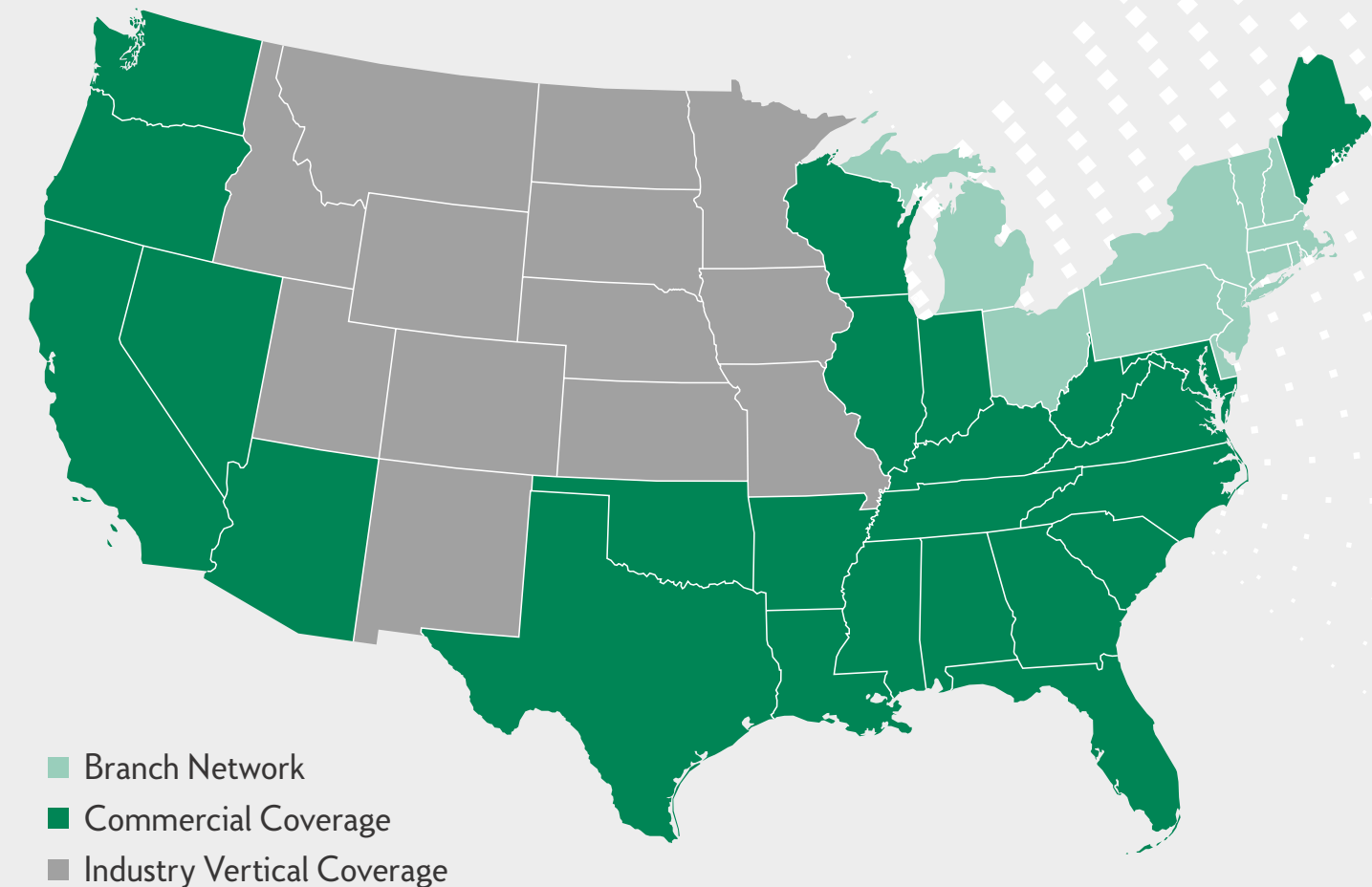
National Reach



5 million retail lending customers across all 50 states



Deposits in all 50 states with Citizens Access®



2020 Highlights*



\$183.3 billion
assets



17,500
colleagues



\$123.1 billion
loans and leases



2,700
ATMs

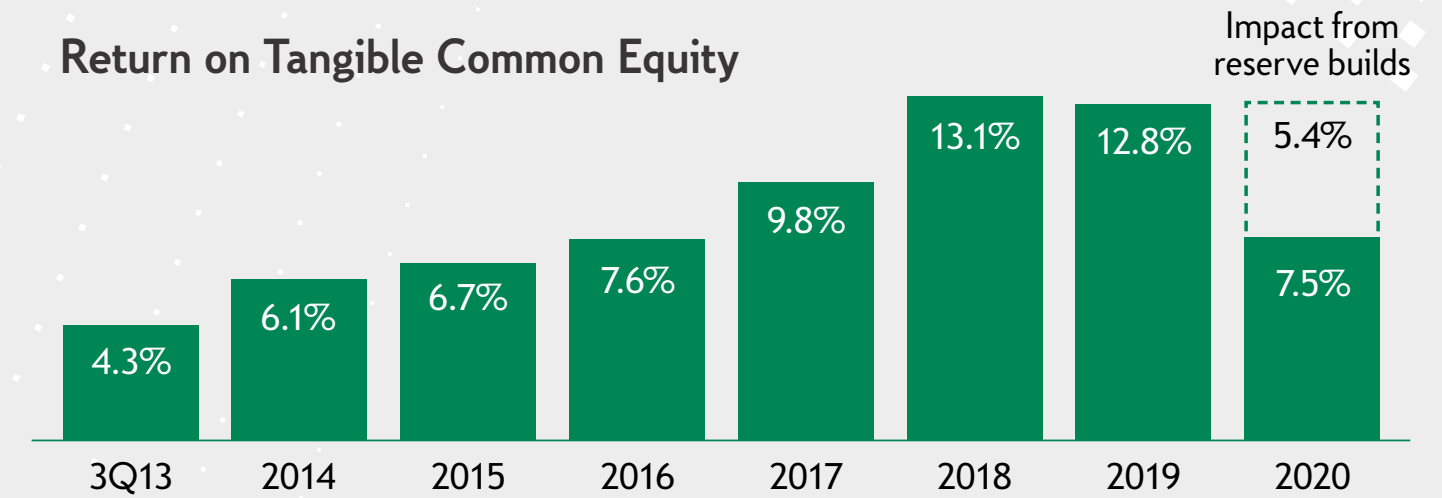


\$147.2 billion
deposits

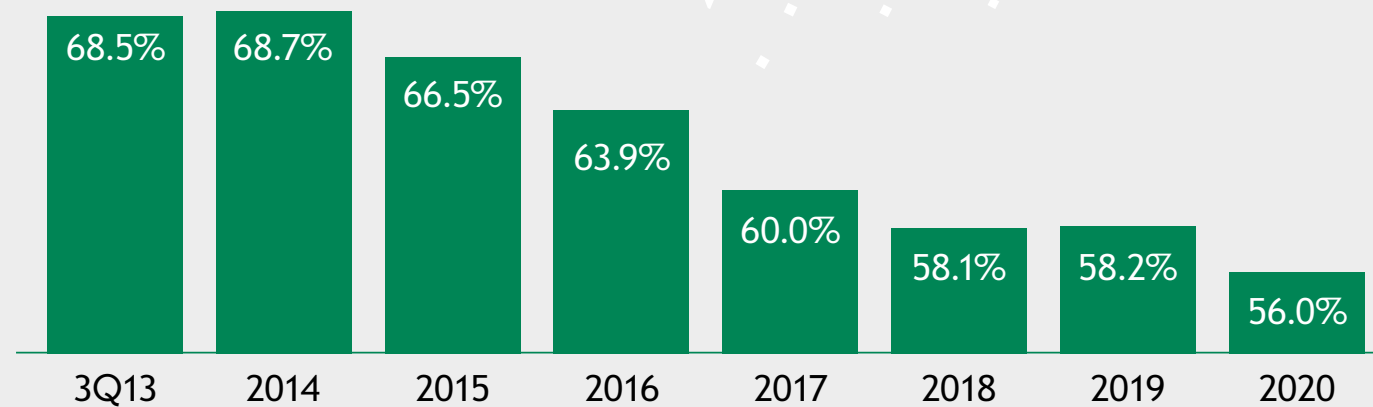


1,000
branches

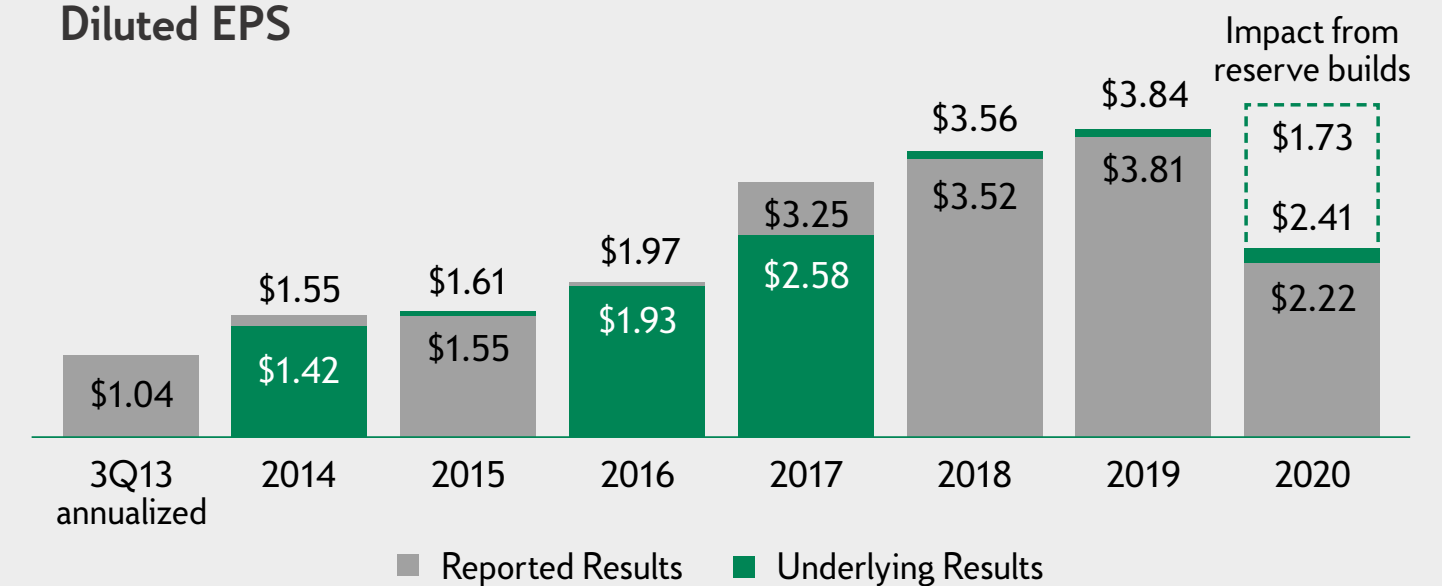
Return on Tangible Common Equity



Efficiency Ratio



Diluted EPS



* Data as of 12/31/20. Results presented on an Underlying basis exclude the impact of notable items. See page 48 for information on our use of non-GAAP financial measures and applicable reconciliations. Annualized calculation based on reported results for 3Q13 multiplied by four.

Our Vision and Values

Our vision is to be a top-performing bank distinguished by its customer-centric culture, mindset of continuous improvement and excellent capabilities.

Our credo brings to life our internal values. These values drive our performance and help us perform our best every day, delivering more for all stakeholders and serving clients with a broad range of products and services.

Our Credo

We perform our best every day so we can do more for our:

CUSTOMERS | COLLEAGUES | COMMUNITIES | SHAREHOLDERS

We strive to always:

Exceed customer expectations

Do the right thing

Think long-term

Work together

COVID-19 Response

Over the course of the pandemic, we stepped up in numerous ways to help our key stakeholders. Here are highlights of the actions we took to provide flexibility and support.

CUSTOMERS

Consumer

- Provided payment assistance for up to 90 days and beyond, depending on product
- Suspended foreclosures on property portfolios and repossessions on auto, and offered new modification programs in addition to forbearance, going beyond the requirements of the CARES Act to provide additional support to our customers
- Late fees, overdraft fees, and service charges rebated upon request
- Allowed early CD withdrawals without penalty and increased mobile deposit limits for personal and business accounts

Small Business

- Provided \$4.8 billion in 50,000+ loans to small business customers across two rounds of funding for the Paycheck Protection Program (PPP)
- 93% of loans went to small businesses with ≤ 25 employees and 81% to those with ≤ 10 employees, supporting 540,000+ jobs
- Facilitated small business referrals for SBA Economic Injury Disaster loans

Commercial

- Funded ~\$7.2 billion of advances on clients' lines of credit to support their liquidity at the start of the pandemic
- Waived Cash Management service fees for up to 90 days
- Provided payment flexibility to nearly 500 clients while prudently managing risk



COVID-19 Response

COLLEAGUES

Health & Safety

- Provided personal protective equipment and a safe work environment
- Provided additional paid time off at no employee cost to address circumstances such as lack of child care, need to care for a family member, required quarantine, and/or COVID-19 recovery
- Enhanced wellness benefits including virtual doctor visits, Health Advocate (providing free counseling sessions 24/7), meQuilibrium (a resiliency tool to help deal with anxiety and stress), and parental resources through LifeCare
- Did not increase medical premiums for 2021

Reward

- Provided premium pay and increased overtime rates for essential in-office colleagues and those serving customers in the branch

- Increased overtime rates and provided recognition awards for colleagues supporting the PPP
- Modified production-based incentive plans in Q2 to address shortfalls
- Enhanced recognition programs to reward extraordinary efforts linked to the pandemic

Communication & Engagement

- Hosted a series of manager and colleague calls to keep team members apprised of information, support and guidance
- Conducted surveys and forums to ensure we understood the “voice of the colleague” to inform our programs and communications
- Packaged pandemic resources on a new COVID-19 Hub accessed via our intranet
- Provided access to virtual training to continue skill development and expanded programs on relevant topics including resilience, working remotely, and managing remote teams

COMMUNITIES

- Committed \$5 million to help communities and small businesses across our footprint
 - Selected ~130 small business customers to receive one-time grants of \$15,000 to help them, their employees, and their communities
 - Gave \$860,000 in immediate financial help to community organizations that play a critical role in their neighborhoods
 - Committed \$2.2 million to our small business recovery program, in partnership with local nonprofit organizations
- Identified nonprofit organizations that support small businesses and allowed credit card customers to donate Reward Points, resulting in an additional \$150,000 in support
- Unrestricted funding support to organizations across our footprint, to provide flexibility for them to address urgent community needs brought on by the pandemic



- Worked with community partners to reformat and facilitate ongoing colleague volunteerism
- Committed \$10 million to support minority-owned small businesses and initiatives aimed at promoting social equity

Key Metrics Snapshot

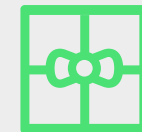


ENERGY STAR certification

and score of 86 for our Johnston campus in Rhode Island

\$1.065 billion

total equity and loan commitments to Community Development initiatives or qualified activities



\$1.2 million in matching gifts

from Citizens Charitable Foundation, amplifying colleague generosity

Nearly 15 million meals donated



in partnership with Feeding America and local hunger relief organizations

122,000 hours volunteered

by our colleagues



\$17.7 million to community programs & events

across our footprint from Citizens and Citizens Charitable Foundation



\$4.8 billion

in 50,000+ PPP loans to help small businesses



500+ financial empowerment sessions

taught by our Colleague Community Ambassadors reached nearly 10,000 individuals and small businesses

100% score

on Human Rights Campaign's Corporate Equality Index



\$1.2 million for homebuyers

in closing cost assistance grants



275,000 hours

of training for our colleagues

Community Reinvestment Act rating of "Outstanding"

from the Office of Comptroller of the Currency for its most recent examination period



Corporate Responsibility At Citizens

About This Report

This is Citizens’ fourth Corporate Responsibility (CR) Report and our first prepared in accordance with the *Global Reporting Initiative (GRI) Standards: Core Option* and in alignment with the *Sustainability Accounting Standards Board (SASB) Commercial Banks* sector standard. Disclosure in accordance with these standards serves as a baseline for our reporting, which Citizens will seek to improve upon in future years as our CR strategy progresses.

Citizens’ 2020 CR Report covers the period of January 1 through December 31, 2020. Prior to this report, our most recent CR Report was published in June 2020. Additional information about the company’s CR strategy and programs is available online: citizensbank.com/corporateresponsibility.

ESG Oversight

The CFG Board is committed to overseeing our corporate responsibility efforts. While environmental, social and governance (ESG) matters fall under the purview of each of the Board committees as it relates to their individual responsibilities, the Nominating and Corporate Governance Committee has formal responsibility for providing oversight of the company’s commitment to ESG matters, including providing strategic direction on corporate responsibility and reporting.

Nominating and Corporate Governance Committee

Oversees our commitment to corporate responsibility matters including: implementation of our corporate responsibility governance framework, completion of materiality assessments, development of our ESG strategy and monitoring the evolution of our ESG practices.

Compensation and Human Resources Committee

Oversees compensation programs and policies, talent management and succession, and our diversity, equity and inclusion program. Also evaluates executive performance and approves executive compensation.

Risk Committee

Oversees risks associated with ESG-related matters through its oversight of the operation of the enterprise-wide risk management governance framework under which all risks are managed.

Audit Committee

Oversees the integrity of our financial reporting and the independence and performance of our independent auditors. The Audit Committee also oversees the Conduct and Ethics Office which has responsibility for identification and oversight of risks associated with our culture and conduct.

In 2020, we established an internal governance structure with an ESG Executive Steering Committee to guide our strategies, help integrate our efforts across lines of business, and monitor our progress.

CFG Board; Nominating and Corporate Governance Committee
Provides oversight of ESG efforts and reporting.



CEO and ExCo
Company approval of strategies and reporting.



ESG Executive Steering Committee
Guides CR strategies; champions business line integration of key initiatives; monitors annual key performance indicators (KPIs) and long-term goals.



ESG Working Group
Helps shape strategies; oversees CR measurement, monitoring and reporting.

2020 Materiality Assessment

In the summer of 2020, Citizens conducted its first materiality assessment to understand and prioritize the ESG topics that matter most to our stakeholders and our business. The objective of this assessment was to establish a strong foundation for our corporate responsibility strategy and disclosure efforts moving forward.

Our materiality assessment reviewed a comprehensive set of ESG topics that intersect with our business. We interviewed our external stakeholders and completed a landscape review of industry trends and research to understand the importance of each ESG issue to our stakeholders. We also interviewed our executive team and surveyed internal subject matter experts to assess which topics have or may have the most significant impact on our business success. To ensure objectivity and a best practice approach, we engaged an independent firm to complete the assessment.

Through this process, we confirmed our priority issues — those deemed most critical to our business success and to the interests and expectations of our key stakeholder groups. We also confirmed five important issues which are increasing in visibility among stakeholders and which we aim to focus on in our corporate responsibility strategy. Citizens' priority and important issues are as follows:

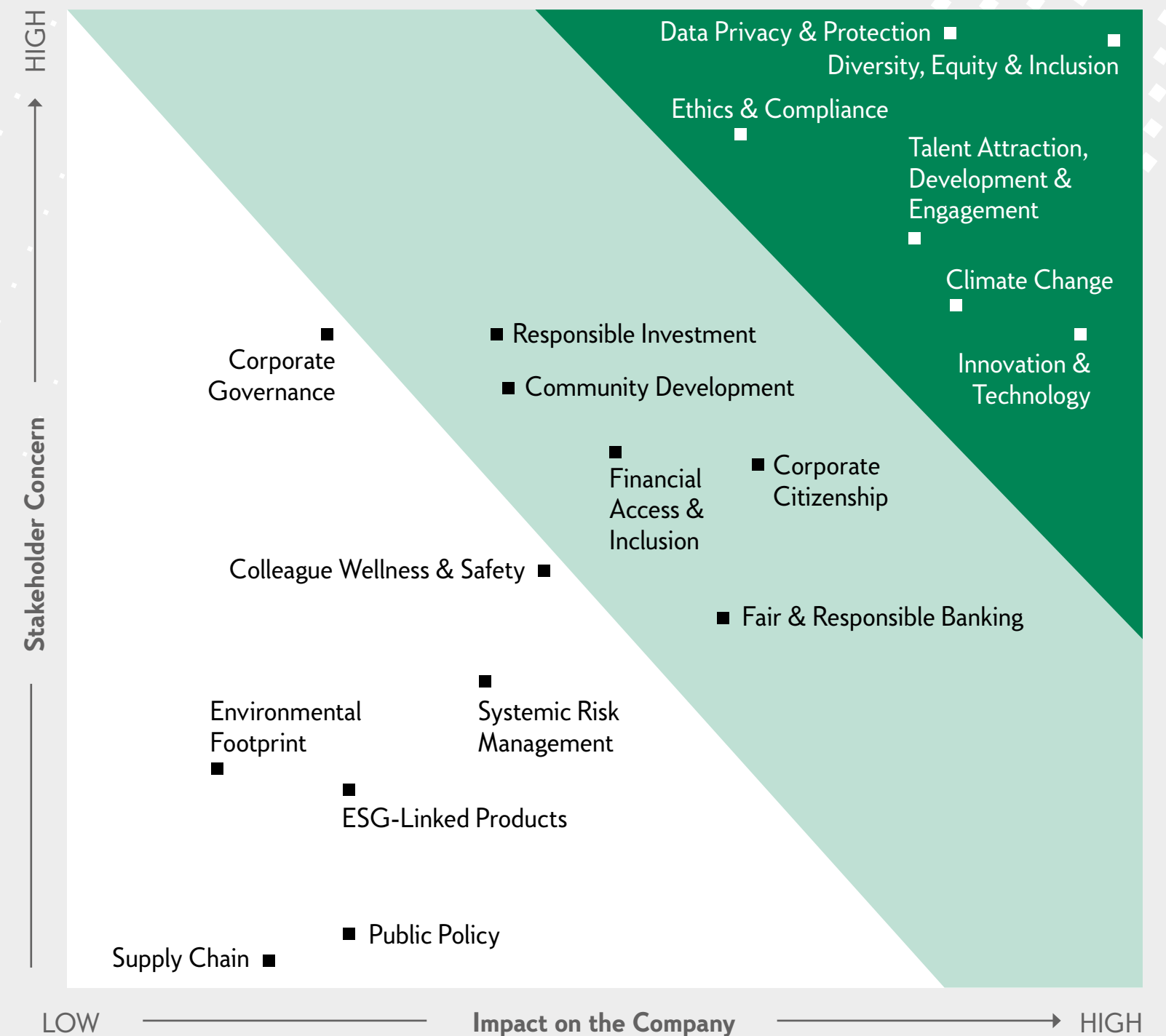
Priority Issues

- Climate Change
- Data Privacy and Protection
- Diversity, Equity, and Inclusion
- Ethics and Compliance
- Innovation and Technology
- Talent Attraction, Development, and Engagement

Important Issues

- Community Development
- Corporate Citizenship
- Fair and Responsible Banking
- Financial Access and Inclusion
- Responsible Investment

The results of our materiality assessment are presented in the matrix on the right.



Stakeholder Engagement

We are committed to building a more sustainable and inclusive future for our stakeholders — the groups or individuals who may be impacted by our business or whose actions may affect our business. We seek to continuously develop stronger relationships with our stakeholders and to engage them in transparent and productive discussions in order to better understand their questions, priorities, and concerns. This approach is a core element of Citizens’ culture as formalized by our Credo, which guides us to perform our best every day so we can do more for our key stakeholders: customers, colleagues, communities and shareholders.

We engage with our stakeholders through various methods throughout the year. This table includes several examples of our most common engagement methods and frequently discussed topics.

Key Stakeholders	Engagement	Topics Discussed
Colleagues	<ul style="list-style-type: none">• Annual Organizational Health Index survey• Colleague Let’s Connect sessions with executives; town hall meetings with CEO and executives• Intranet site• Pulse surveys• Business Resource Groups• Colleague volunteerism program & portal; matching gifts program• Credo Awards program; Credo Week celebration• Performance enablement reviews and check-ins	<ul style="list-style-type: none">• Business strategy and performance• Business transformation• Performance and development• Wellness and benefits• Diversity, equity and inclusion• Community engagement
Customers	<ul style="list-style-type: none">• Branch interactions and 1:1 banking relationships• Citizens Listens surveys and focus groups• Treasury Solutions Client Advisory Panel• M&A Outlook survey of CEOs/CFOs and private equity sponsors• Social media channels• Customer complaint program	<ul style="list-style-type: none">• Customer experience• Banking needs• Business lending and advisory services• Financial education• Community events
Community Nonprofit Organizations	<ul style="list-style-type: none">• Corporate giving support from Citizens and Citizens Charitable Foundation• Champions in Action program• Colleague Board engagement and volunteer support• Relationships with Regional Market Presidents• Regular contact with Public Affairs and Community Development Market Managers	<ul style="list-style-type: none">• Diversity, equity and inclusion• Local community needs• Financial empowerment• Workforce readiness• Community development
Shareholders	<ul style="list-style-type: none">• Annual Shareholder meeting• Shareholder engagement calls• Investor Conferences• In-person meetings• Quarterly Earnings calls• Phone/email inquiries• SEC form 10-K and 10-Q reports and other filings	<ul style="list-style-type: none">• Corporate strategy• Financial performance• Executive compensation• ESG• Human capital management• Corporate governance
Regulators, Policymakers, Legislators	<ul style="list-style-type: none">• Exams• In-person meetings with management• Regular engagement with Regulatory Affairs and Government Affairs teams• Trade associations• Quarterly call reports (CBNA) and FR Y-9C reports	<ul style="list-style-type: none">• Capital planning• Liquidity management• Governance• Regulatory compliance• Risk management• Cybersecurity• Workforce development

Environmental

We consider our commitment to environmental stewardship an important extension of our company’s Credo: *We perform our best every day so that we can do more for our customers, colleagues, communities and shareholders.* These guiding words support our commitment to help create a healthy and sustainable future for all of our stakeholders.

We are committed to reducing our operational impact on the environment, understanding and managing the risks and opportunities for our business presented by climate change and resulting regulatory and market changes, and helping our customers plan for and manage climate change impact.

Addressing Climate Change

As one of our ESG priority topics, we know that focus on climate change is important to our business strategy and many of our stakeholders. We seek to understand the potential risks of climate change to our business and will work toward identifying, addressing and disclosing the risks in our value chain from potential extreme weather impacts of climate change, or the risks associated with regulatory or market changes that emerge as part of the transition to a lower-carbon economy.

As a financial institution, we also recognize the critical role that we can play to help finance a lower-carbon future and are exploring opportunities to increase our lending and investments in renewable energy and energy efficiency projects.

We are establishing an internal Climate working group to help move our climate strategy forward, continuing to evaluate our Scope 3 emissions, and will utilize the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) to inform and help guide our efforts and future disclosures.

Our Environmental Performance

We are committed to reducing our own operational impact on the environment including our greenhouse gas (GHG) emissions. To better meet international goals to foster climate resilience and limit global temperature increase, we have set targets to reduce our Scope 1 and 2 GHG emissions 30% by 2025 and 50% by 2035, based on our 2016 baseline. These reductions align with the recommendations of the Paris Agreement, which aims to limit average global temperature increase to well-below 2° Celsius compared to pre-industrial levels. Our environmental policy requires that we measure and track our environmental performance on our journey of continuous improvement. We have a comprehensive data-gathering program that includes energy, water, paper, waste, recycling, greenhouse gas emissions, and business travel. We report our performance each year through the CDP (formerly Carbon Disclosure Project). Our most recent CDP Response can be viewed on our website at citizensbank.com/corporateresponsibility.

A summary of our greenhouse gas emissions performance (mtCO₂e, Actual + Estimates):

	Annual Scope 1 & 2 Emissions	Change from 2016 baseline
2016	56,921	—
2017	56,862	-0.1%
2018	58,555	2.9%
2019	47,454	-16.6%
2020	42,650	-25.1%

Investing in Wind Energy

To meet the unique needs of the renewable energy industry, we provide equity investments to support a greener and more independent energy future through Citizens Asset Finance. We have participated in the funding of eight U.S. wind farm projects since mid-2015, with our investments totaling approximately \$403 million at the end of 2020, a 14% YOY increase.

ENERGY STAR Certification for our Johnston Campus



An important long-term investment and key design consideration for our campus in Johnston, R.I. was energy efficiency. Since opening its doors in 2018, we've been able to match the design intent with operational excellence in energy management practices.

86

That synergy was recognized with the EPA's ENERGY STAR certification for superior energy performance. The property's ENERGY STAR score is 86, meaning that it is more energy efficient than 86% of similar properties nationwide. ENERGY STAR certified buildings save energy, save money, and help protect the environment by generating fewer greenhouse gas emissions than typical buildings.



Champions In Action

Nearly two decades ago, Citizens established Champions in Action®, a program designed to reward nonprofit organizations that are working to alleviate the challenges of communities in our footprint. Since 2002, our program has awarded \$9.7 million to more than 347 Champions. We partner with key local media outlets through which our Champions receive publicity and volunteer support in addition to \$35,000 in funding.

Each year, Champions in Action selects two focus areas. In 2020, Environmental Stewardship was selected to help drive the responsible use and protection of the natural environment through delivery of conservation and sustainable practices. Five organizations were Champions in this category:

- **Boston Harbor Now** (Boston, Mass.): Working to reestablish Boston as one of the world’s greatest coastal cities, with a focus on access, activation, and resilience of Boston’s waterfront parks and public open spaces — including the Boston Harbor Islands National and State Park, Harborwalk, and Working Port.

“In a year when our waterfront, public parks and open spaces have become critically important to our physical, mental and emotional health, being named a Champion in Action is particularly meaningful.”

Kathy Abbott, President and CEO of Boston Harbor Now

- **Computer Reach** (Pittsburgh, Pa.): Making technology available to people most in need through refurbished equipment, computer literacy, training and support — bridging the digital divide while reducing e-waste.
- **What Cheer Flower Farm** (Providence, R.I.): Transforming a brownfield into an oasis of organic growing fields to achieve its mission to rescue and give away flowers — nearly 45,000 per year — as a source of joy, solace and healing to underserved people in stress, including patients in hospitals and hospices, at-risk youth, seniors with dementia, and people in recovery centers and shelters.
- **Bartram’s Garden** (Philadelphia, Pa.): 45-acre public park that welcomes nearly 100,000 visitors each year to enjoy free, community-driven programming to engage with nature, history and culture. It includes a thriving urban farm and community garden, paid youth internships, and safe outdoor recreation.
- **Squam Lakes Natural Science Center** (Holderness, N.H.): 200 acres of open meadows, mature forests and marsh boardwalks to educate audiences of all ages about the importance of our natural world through live animal exhibits, natural science education programs, public gardens and a nature-based Montessori early learning center.



Diversity, Equity and Inclusion

We aspire to be a trusted and active advocate for a diverse and inclusive workplace and society. The commitment to creating social and economic equity is central to our Credo. An inclusive culture is at the heart of the Citizens colleague experience, and our business transformation re-imagines how the bank delivers for customers, including structuring differently and operating in a more agile way to meet the ever-evolving needs of diverse customers and communities.

Our diversity, equity and inclusion (DE&I) strategy is focused on ensuring all people feel they belong and feel valued, respected and heard; increasing representation in our workforce, particularly women and people of color in senior leader roles; developing a diverse talent pipeline; embedding DE&I capabilities and inclusive behaviors in our culture to help remove bias in our business decisions and promote fairness and equity; building inclusive, highly networked teams; and facilitating access to capital for small businesses and communities of color.

Our Board's Compensation and HR Committee directly oversees our DE&I program.

“We believe it is important to step forward to promote social and economic equity, to help eradicate racism and discrimination, and to work towards a world where all people and communities thrive.”

Bruce Van Saun, Chairman and CEO, Citizens Financial Group

In 2020, we saw an outpouring of awareness and concern over racial equity and social justice, driven in part by the inequitable impacts of the pandemic and protests across the world. Our commitment to social equity and economic opportunity accelerated our DE&I efforts as we announced a \$10 million investment to address those specific issues in underserved communities across our footprint. This investment includes grants and charitable support for immediate and longer-term initiatives aimed at minority-owned small businesses, increased awareness of racial disparities in conjunction with technology, education, and digital literacy initiatives. Our commitment also includes more than \$500 million in incremental financing and capital for small businesses, housing and other developments in predominantly minority communities.



DE&I Resources for Colleagues, Customers & Community Partners

Throughout the year, we provided multiple expert-lead sessions for our colleagues on topics that included standing against racism, unconscious bias, and identifying ways to create inclusion and equity in systems, processes and procedures. Our CEO also hosted a series of listening sessions and conversations on these critical topics with colleagues across our footprint.

We believe driving DE&I is a leadership mandate and have built an educational journey for our colleagues. Our Career Success Profile, which is the centerpiece of our human capital efforts, was updated to ensure that inclusive leadership behaviors were prioritized and that we are focused on recruiting, training for and rewarding inclusive behaviors in our workforce. We are focused on driving inclusive leadership throughout the organization, so that our colleagues are better able to serve our customers and our communities.

We wanted to help our community nonprofit partners advance diversity and inclusion within their organizations as well, so we launched *Let's Talk: Diversity, Equity & Inclusion*, a four-part discussion series for hundreds of our community nonprofit partners and clients to facilitate dialogue that leads to a greater sense of understanding in our communities. The 2020 topics included “Leading Inclusively in Challenging Times” and “Learning How to Listen about Race & Racism.”

Tapping into our own colleagues, as well as thought leaders on equity and inclusion, we provided resources on our website — films, books, podcasts — to help our customers deepen their understanding of diversity and social equity.

Diversity, Equity and Inclusion

Improving Our Diversity Representation

We continually look for ways to enhance our efforts as we build a more diverse workforce and inclusive culture. Despite our progress, we acknowledge that there is an opportunity to further increase the representation of women and people of color, particularly in senior roles. As a result we have implemented several new recruiting and development initiatives to facilitate progress, including the following:

- Invested in expanding our DE&I team to help enable leaders and managers across the organization to improve representation in our workforce and supply chain
- Conducted a third-party audit to identify and address bias in our people practices
- Expanded our diverse hiring commitment to more roles in the organization, ensuring that we have a slate of at least 50% from underrepresented groups among candidates for senior openings
- Implemented partnerships with community and professional organizations to help identify qualified candidates from underrepresented groups for campus and experienced-hire recruiting, including: Disability:IN, Association of Latino Professionals for America, Harbor Institute, National Association of Minority Mortgage Bankers of America, National Black MBA Association’s Boston and Philadelphia Chapters, National Society of Black Engineers, Prospanica, RI Black Business Association, Thurgood Marshall Foundation, Year Up, FourBlock, Financial Women’s Association and the National Gay and Lesbian Chamber of Commerce
- Leveraged the membership of our six Business Resource Groups (BRGs) to develop proactive recruiting strategies

YEAR-END EMPLOYEE DEMOGRAPHICS¹

Job Categories	Gender		Ethnicity	
	Male	Female	White	People of Color
Executive/Senior Level Officials & Managers	68.4%	31.6%	91.2%	8.8%
First/Mid-Level Officials & Managers	54.7%	45.3%	82.0%	18.0%
Professionals	51.9%	48.1%	75.6%	24.4%
All Other	34.1%	65.9%	67.3%	32.7%
Total Workforce	42.2%	57.8%	72.2%	27.8%

Business Resource Groups



Key catalysts for change within our organization are our six BRGs — voluntary company-sponsored associations of colleagues dedicated to women, multi-cultural, LGBT, veterans, colleagues with differing abilities, and rising professionals. ~3,000 of our colleagues — or 17% of our population — were members of at least one BRG as of year-end. BRG members help to inform our work by sharing insights on expectations of today’s workforce, perspectives on product development and multicultural marketing, and ideas for how to improve customer interactions. Our BRG members also further our community commitment and participated in ~35 virtual volunteer events, including walkathons and virtual mentoring sessions.

1. December 31, 2020 colleague data produced in a manner consistent with EEO-1 reporting with aggregation across EEO-1 ethnicity categories. “All Other” is a combination of the following EEO-1 job categories: sales workers, administrative support workers, craft workers, and service workers.

Diversity, Equity and Inclusion

Commitment to Pay Equity

Part of our commitment to building and fostering a diverse, inclusive, high-performing culture includes ensuring our compensation and benefits are fair and competitive for all colleagues. We continuously evaluate our practices and are committed to identifying opportunities to help ensure all colleagues have equal opportunity to maximize their potential.

We take the following steps to ensure that equal pay is received for equal work throughout our organization:

Pay for Performance: Compensation decisions are based on a “pay-for-performance” philosophy. This means annual compensation decisions are based on a blend of individual performance, business unit performance, and Citizens’ overall performance. Colleagues are assessed during an annual review process which considers performance across a number of dimensions including customer, risk and control, financial, and people.

Manager Training: Managers receive annual training that includes tools and resources to help them make appropriate compensation decisions during our annual pay process. Rating and compensation recommendations submitted by managers are reviewed to ensure they are fair and equitable.

Analyze Regularly: We engage an independent third-party to annually review colleague pay to ensure that equal pay is received for equal work throughout our organization, regardless of gender or race. This review covers all of our operations and colleagues, and considers factors such as performance, experience, and time in role in analyzing base salary, cash bonuses, and equity awards of colleagues serving in similar roles. In the case that job-related factors do not explain a disparity, a pay adjustment is made. The results of our most recent analysis indicate that women are paid 99% of what men are paid and there is no pay disparity for people of color. Although these are strong results, we understand that the opportunity gap for women and people of color continues to exist. We remain committed to the programs we have in place to help facilitate, among other things, increasing the representation of women and people of color in senior and leadership roles over time.

Supplier Diversity

We recognize that diverse business enterprises play a critical role in our communities as they provide jobs, build wealth and develop sustainable economic pathways toward equity. It’s important that our supplier base reflects the diversity where we live, work and trade. In 2020, we added a new Supplier Diversity Manager who is focused on ensuring we have certified diverse businesses competing for a robust pipeline of opportunities.

Recognition for DE&I Progress



Our Colleagues

Citizens’ journey over the past few years has been one of accelerated progress and change, in step with rapidly evolving market and talent expectations. **We have been on the path to digitization — transforming how we work and establishing the necessary capabilities for the future — while at the same time facilitating continued evolution of our culture. Citizens’ colleagues are at the heart of our Credo and our ultimate goal is to create an environment where they feel valued and would like to build their careers.**

Health, Safety and Wellness

Colleague wellness has always been central to our consciousness and strategy. It was a priority when we designed our Johnston, R.I. campus, which opened in 2018 and includes on-site fitness and wellness centers, as well as walking paths and sports and recreation facilities. At all of our workplaces, we strive to provide spaces and amenities that support the health and wellness of our colleagues.

Our comprehensive total rewards package includes competitive pay and benefits designed to support colleague wellness from various perspectives, and is regularly evaluated to ensure it meets the needs of our colleagues. Through our comprehensive myWELLNESS hub, we provide resources to help colleagues get and stay healthy, along with incentives for completing wellness activities.

Our commitment to colleagues’ wellness — physical, financial, and mental — continued to be a central focus during the COVID-19 crisis. In addition to ensuring that our colleagues had the necessary tools and resources to serve our customers safely, we shifted ~10,000 of our colleagues to a work-from-home environment and implemented several programs to support their well-being and their ability to maintain work-life balance. [See page 8 for more details on our COVID-19 response.](#)

Growth and Career Development

The world in which our business operates is changing rapidly in nearly every dimension. To meet the evolving needs of customers, the skills required of our colleagues must change at the same rate. The company is in the midst of a large-scale transformation agenda, part of the path to end-to-end digitization and transformation of how we work. We are striving to ensure colleagues reframe their mindsets, behaviors, and capabilities for the future. We invest significant resources in colleague development and offer programs aimed at equipping them with the skills to not only excel in their current roles, but to be highly valuable contributors in the future and align with market changes.

In order to effectively strengthen the necessary workforce capabilities for our organization, our programs build relevant critical skills such as leadership, Agile, digital, innovation, data analytics and coaching. To enable development of those skills we have implemented resources, experiences, and technologies to facilitate quick consumption of new bodies of knowledge and skills.



**275,000
hours
of training**

Our colleagues received over 275,000 hours of training and development in 2020 and nearly 1,000 attended management/leadership training. While COVID-19 limitations on in-person learning created a YOY reduction in total training hours, we trained online and streamlined our program to ensure key resources continued to be available.

We also offered our popular “Development Weeks” and “Development Days” through which we provide a slate of learning opportunities. More than 4,000 colleagues participated in 2020.

Our Colleagues

Colleague Engagement

We utilize McKinsey & Company OrgSolutions’ Organizational Health Index (OHI) survey to solicit and track colleagues’ perceptions of Citizens. McKinsey’s research shows that companies that score in the top quartile of the OHI generate total shareholder returns three times higher than companies in the bottom quartile, and more than 60% higher than companies with “middle of the road” health profiles.

The OHI measures our progress on a number of factors that drive performance and growth including leadership, innovation, development, motivation and colleagues’ commitment to the organization. We adapt the OHI to measure both the central factors defined as organizational health by McKinsey, as well as other key aspects of work we feel are pertinent to our organizational effectiveness and colleague satisfaction. The OHI measures colleague engagement as well as colleague observations on how well we lead, execute and adapt. The survey results are confidential, and the findings provide insights on our strengths and opportunities for improvement.

In 2020, the OHI survey was given to all colleagues and resulted in an overall participation rate of 77%, our highest level of participation since inception of the OHI at Citizens. Our overall health index score improved by two points over 2019, has risen by a total of 15 points over the past five years, and now places Citizens in McKinsey’s top quartile of global client companies who use the OHI survey. We are proud of this achievement as we know that our success depends on our colleagues’ motivation, engagement, and understanding of how their work contributes to our purpose and strategy. In our 2020 survey, we added five new questions to assess perceptions of our DE&I efforts. Scores on the five new items were very strong, with 85%-90% of colleagues favorable on items relating to having a climate in which diverse perspectives are valued, senior leaders’ commitment to diversity, fair treatment regardless of one’s background, equal opportunities for a successful career, and managers demonstrating support for diversity.

We continue to use the results of this annual survey to refine our focus, address any gaps and strengthen our efforts to improve our organizational effectiveness and the way we serve all of our stakeholders.

ORGANIZATIONAL HEALTH IMPROVEMENT



Our Colleagues

READY TO *THRIVE*

We want all of our colleagues to be able to contribute to our company's success at their highest level of potential, and are committed to helping them to identify ways that they can improve and grow. All of our colleagues receive a mid-year performance discussion which includes conversation about development and career progression and a year-end performance review as well as ongoing check-ins/feedback and coaching. Our performance management process puts the colleague at the center, allowing us to understand their aspirations and enabling them to develop and enhance their skills, adopt a growth mindset, and engage in work experiences that leverage their potential and contribute to the company's performance.

Let's Connect

We use a variety of platforms and forums to facilitate open and direct communication with colleagues. In 2020, this included communications from our CEO and Executive Committee through live stream forums, *Let's Connect* sessions hosted by senior leaders, and engagement through our BRGs.

- The all-virtual format for our *Let's Connect* sessions allowed us to reach colleagues located in 35 states and we had more than 7,200 total registrations. We hosted 330 sessions on topics including Equality & Inclusion, Women in Leadership, Fintechs and Digital Trends, Career Development, Transformation and Customer Experience.
- These sessions garnered a 90% overall colleague satisfaction rating, with 93% of colleagues indicating that they would be interested to attend another session.

Credo Awards

Our *Credo Awards* program is a comprehensive, multi-layered approach to promote recognition and engagement across the organization. The program includes real-time recognition for living our values and delivering for our customers through awards sent by managers or fellow colleagues.

In 2020, we recognized 285 of our colleagues as *Credo Champions* — one of the highest honors awarded to a select group of colleagues who have made significant contributions to our customers, colleagues, communities and shareholders.

The *Chairman's Credo Awards*, the most prestigious of recognition, are given to 10 colleagues who have demonstrated high levels of commitment to our company.



285 colleagues
recognized as
Credo Champions



10 colleagues
presented with
Chairman's Credo Awards

Our Customers

Our goal is to deliver an exceptional banking experience for all of our customers — from individuals to global corporations. As articulated in our **Vision and Values**, we know that a customer-centric culture is key to our success. We put our customers at the center of our efforts and strive to continuously improve our products, processes and service to exceed their expectations and help them achieve their financial goals. Our customers trust us with their financial well-being every day and we are privileged to help them reach their potential.

Fair and Responsible Banking

Our focus is on providing tailored advice and solutions that support customers in their own unique journey to help them reach their potential. We are advancing our digital and mobile capabilities to enhance the customer experience and are committed to doing so in a way that is responsible, fair, clear and inclusive.

Our Compliance Department, specifically its Office of Fair Banking, is completely integrated into our product governance processes to ensure that our products are fair and inclusive; are communicated in all of our materials in a way that is accurate, comprehensive, and easy to understand; and are implemented equitably.

Embedding Responsible Practices in Product Development and Marketing

We have embedded strong governance routines in our product development and marketing processes to ensure a responsible, clear, and inclusive approach. Our cross-functional product development process includes representation from both our Compliance and our Community Development teams to ensure that we are considering products — and all communications about them — through these lenses. Our commitment to fairness and responsibility continues through the product life cycle, as we work to ensure fair treatment in the ongoing servicing of our accounts. Our compliance team is fully integrated into our customer service processes to ensure fair and equitable experience for our customers.

Our governance processes ensure compliance with all standards and regulations, including the Unfair, Deceptive, or Abusive Acts and Practices (UDAAP) requirements. All colleagues that interact with our customers, or who perform functions affecting them, are trained in UDAAP standards annually.

Our Customers

Managing Customer Complaints

We truly value customer feedback — including complaints — as an opportunity to improve our products, processes, and services. Utilizing both internal and external data to track, evaluate and enhance the customer experience, we are able to turn this valuable feedback into better ways to serve all of our customers. Feedback can be received through a variety of channels, verbally or in writing, through customer/colleague interactions, social media, branch network, call centers and others. Customer complaints are handled by a dedicated team of customer service professionals, centralized within the Office of the Chairman, who act as advocates and a consistent point of contact for customers while guiding the process through to resolution. We strive to continuously improve and provide exceptional customer experiences.

Integration of ESG in Credit Analysis

Our Commercial Credit Policy, which provides principles and requirements core to our commercial credit risk framework, includes an Environmental, Social, and Ethical (ESE) Screening. For potential risks, this screening process results in a further assessment. ESE assessments are reviewed regularly in accordance with established governance to ensure they remain current.

Expanded ESG Investing Options for our Clients

Knowing that interest in sustainable investing continues to increase, we expanded opportunities for our clients to include ESG-aligned investment solutions that include mutual funds and exchange-traded funds comprised of companies regarded to have strong environmental, social and governance characteristics. We are bolstering our investment platforms with more ESG investment options, and have increased education and training for our Financial Advisors, so that they can best support customers who are interested in ESG-focused investing. We are also working to educate our existing client base on the topic of ESG investing and the opportunities it may provide for them.

Our Customers

Investing in Innovation and Technology for Better Customer Experiences

To meet the evolving needs of customers today, and in the future, financial institutions must invest in new technologies. Through investments in technology, an organizational culture of innovation, and strategic partnerships, Citizens strives to serve customer needs quickly and conveniently — today and in the future.



digital transformation expanded our reach

In 2019, Citizens made a \$50 million commitment to a digital transformation to expand its reach, and transition to more open and agile systems that bring about new ways

to bank. In 2020, the need for this type of transformation was underscored when the COVID-19 pandemic changed customer needs and increased their expectations.

That shift included a significant number of customers turning to digital banking. A nationwide Citizens Banking Experience Survey showed that 69% of consumers indicated they prefer to bank online. Conducted to understand the impact of COVID-19 on the future of banking, the survey also found that 65% of consumers want personal guidance, even if they are banking digitally.

We put the customers' needs at the center of our approach and create strategic external partnerships when it makes more sense than utilizing internal resources. We have over 25 fintech engagements that deliver cutting-edge technology to more nimbly respond to the needs of the bank's customers.

INNOVATION FORUM AND FUND

In addition to investing in technology and partnerships, we believe that meeting customers' expectations also requires a cultural and organizational transformation, and having the right people in the right place at the right time. Our Innovation Forum — a community of practice — grew to more than 1,200 colleagues participating from across the organization. Regular Forum meetings showcase bank-wide initiatives including proof-of-concept explorations, fintech partnership updates and prototypes in development. We are working to foster an inclusive innovation culture where colleagues are empowered to challenge the status quo and bring forward new ideas. We are also developing tools and enablers that make it easier for us to test and learn quickly.

Our Innovation Fund makes targeted, venture capital-style investments in early stage colleague ideas that will help us launch products and services for our customers more quickly. We funded 19 colleague ideas during 2020.

ETHICAL USE OF ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

While we leverage the power of artificial intelligence to help our colleagues grow in their careers and better serve our customers, we understand the need for safeguards to mitigate the risks associated with its use. In 2020, we established an Artificial Intelligence Governance Forum to review and deliberate on key ethical considerations around the use of artificial intelligence/machine learning technologies including bias management, transparency, explainability, fairness, quality, privacy and overall soundness. The forum meets regularly and includes key stakeholders from across Citizens to ensure it has appropriate visibility and risk identification to distinguish between intended and unintended consequences in implementation.

Our Communities

Citizenship is at the heart of who we are, rooted in the belief that when people and communities reach their potential, we all thrive. By providing resources to help individuals and communities build capability, acumen and resiliency, we are working to drive progress for all of our stakeholders. We build partnerships to develop neighborhoods, stimulate economic renewal and transform lives. Through our corporate giving and volunteerism programs, we work alongside our neighbors to build stronger communities, focusing on three specific areas that we believe will fortify the overall well-being of our communities: Strengthening Communities through Workforce Development, Fighting Hunger and Financial Empowerment. Our Community Development programs provide financial resources that expand affordable housing, fuel economic development, and increase access to financing for individuals and small businesses.

Fighting Hunger

With more than 54 million people in the U.S. on the brink of food insecurity due to effects of the COVID-19 pandemic, our commitment to fighting hunger became more critical than ever. In 2020, Citizens, our colleagues and our customers joined together to donate nearly 15 million meals.



For the third consecutive year, we joined forces with **Feeding America®** — the nation's largest domestic hunger-relief organization — as a Leadership-level partner to further broaden and deepen efforts to fight hunger. We also supported a variety of other local programs in our markets that improve food access, nutritional education and the

overall health of our communities. In 2020, the biggest need for Feeding America and its food bank affiliates was COVID-19 relief. We worked together to unrestrict our contributions and enabled them to utilize their funding as needed.

Strengthening Communities Through Workforce Development

We work to strengthen communities across our footprint through workforce development, job training and small business development. We are engaged in helping to address the skills gap that exists between emergent jobs and workers, an issue we frequently discuss with our customers and community partners. We partner with organizations that train and re-skill workers to help them acquire

and leverage skills so they can attain employment and advance their careers.



In partnership with **Local Initiatives Support Corporation (LISC)**, our

funding enables a range of employment services designed to help people find work, stabilize their financial outlook and advance in their careers or advance on a career pathway. The programming helps connect unemployed and underemployed workers in Providence, Boston and Philadelphia to the education, training and career coaching they need to compete for jobs in fast-growing fields.

The COVID-19 pandemic exacerbated digital literacy and technology equipment gaps with schools moving to online

instruction, adult learners needing to access testing and training remotely, and the conversion of many aspects of daily life to digital formats. Many families served by LISC lack both the digital skills and necessary hardware to participate in essential virtual services — and in the longer-term, to obtain stable, living-wage jobs that require solid digital skills. In 2020, we provided funding to increase digital skills and access to technology in Atlanta, Detroit, Rhode Island, Richmond/Petersburg (VA), Philadelphia and Boston. The improved technology access will yield multiple benefits for a household by giving adult trainees and job-seekers what they need while also enabling remote learning for children.

Our Communities

Financial Empowerment

Helping people better manage their money is central to our business. We work with our community partners to leverage that expertise to help make our communities and their residents more financially knowledgeable and secure. In 2020, we provided \$1.4 million to nonprofit organizations across our footprint to support programs that help individuals, families, and small businesses improve their financial acumen.



COMMUNITY
AMBASSADOR

We partner with **JUNIOR ACHIEVEMENT**, one of the nation's largest organizations dedicated to giving young people the knowledge and skills they need to own their economic success, plan their futures and make smart academic and economic choices. Through this partnership, we mobilize our colleagues as volunteers to bring their programs to life in classrooms throughout our communities. In 2020, we collaborated to build virtual online learning platforms to provide critical financial literacy lessons and resources to students.



CITIZENS' COMMUNITY AMBASSADOR program was developed to help provide the resources and expertise needed to effectively deliver financial education to individuals and small businesses. We're committed to leveraging the expertise of our colleagues to help give people resources and tools to make informed financial decisions and gain financial confidence. Research consistently shows that many Americans are not adequately prepared to handle emergencies or retirement due to a lack of savings, and aren't effectively budgeting to live within their means.

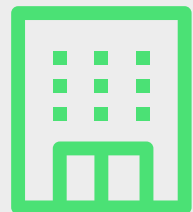


The Community Ambassador program now has nearly 700 dedicated colleagues actively volunteering to provide critical financial education. To continue to meet the needs of our communities during COVID-19, the program pivoted to deliver the content virtually. In addition to offering money management workshops, our Community Ambassadors also participated in mentorship programs, volunteer income tax assistance and board service across our footprint. Together, they taught more than 500 financial empowerment sessions which reached nearly 10,000 individuals and small businesses.

Our Communities

Our Colleagues Bring Our Community Commitment to Life

Our colleagues are central to — and take great pride in — our commitment to our communities. In 2020, our colleagues provided 122,000+ hours of virtual and in-person volunteer service which supported 1,600+ organizations. To help our colleagues safely volunteer during a time when our communities needed it most, we worked with our partners to provide meaningful virtual opportunities on our internal Giving Portal.



1,600+
organizations
supported

Our colleagues also serve on ~1,000 community boards and committees, lending their expertise to organizations that provide vital services across our footprint. In 2020, the Citizens Charitable Foundation provided more than \$1.2 million in matching gifts — amplifying our colleagues' charitable giving.



Since 2015, we have partnered with the **MILITARY WARRIORS SUPPORT FOUNDATION** to award fully furnished,

renovated, mortgage-free homes to a combat-wounded veteran hero and their family. Through this partnership, we provide three years of financial literacy and debt management coaching, so that the heroes and their families can focus on settling back into their daily lives. This year's home was presented to Purple Heart recipient Veteran Bryan Cline and his family who settled into their new home in Rhode Island during the summer.

Our Hunger Action Month initiatives generated a donation equivalent to 837,000 meals for those in need. A critical component of our activities was our **STEP UP TO FIGHT HUNGER** challenge which engaged 3,000+ colleagues who collectively walked ~540 million steps, with their steps translating to a donation to Feeding America.



Skills for Cities



In 2020, our colleagues participated in Skills for Cities and lent their time and talent to consult with 14 nonprofit organizations that are Black-led or have a racial justice mission. Teams were matched with a nonprofit to give advice on a long-term strategy to solve a current challenge they're facing. The event contributed \$145,000 in pro bono value and left the nonprofits with actionable ideas that they could implement immediately.

Community Development

Community Development Loans & Investments

We work to strengthen communities by providing financial resources that enable development. Our capital allows organizations to advance their plans to expand affordable housing and community services, revitalize communities, and fuel economic development. We provide financial resources in the form of loans and equity investments. We support development opportunities sponsored by Community Development Corporations (CDC), Community Development Enterprises, Community Development Financial Institutions and other public welfare investments leveraging tax-advantaged tools like Low-Income Housing and New Markets Tax Credits.

\$1.065 billion total equity and loan commitments to Community Development initiatives or qualified activities

In 2020, through our Community Development group we provided \$806 million in total equity and loan commitments to Community Development initiatives (comprised of \$341 million in lending commitments and \$465 million in equity). This funding helped provide more than 5,600 units of affordable housing and nearly 45,000 sq. ft. of commercial space in our communities. In addition, we made \$259 million in loans through our Commercial Lending team that supported Community Development qualified activities.

Citizens offers a product for nonprofit organizations that are engaged in the preservation of multi-family affordable housing stock by providing up to 95% of the purchase price toward the acquisition of existing stabilized multi-family affordable housing developments. The product is intended to allow nonprofits — in highly competitive real estate markets — to compete more aggressively with market rate developers to acquire existing developments and preserve affordable housing opportunities in the community.



Orient Heights in Boston, MA



Peg's Place Apartments in Philadelphia, PA

Citizens partnered with Trinity Financial, Inc. and East Boston CDC to provide more than \$47.7 million of financing for Orient Heights, a new affordable housing development in Boston, Mass. Our funding enabled new construction of 88 units of affordable housing, with nine of the units reserved for tenants $\leq 30\%$ area median income (AMI) and the remaining 79 units reserved for tenants $\leq 60\%$ AMI.

Citizens partnered with Project HOME providing \$21 million in financing to enable the new construction of the Peg's Place Apartments located in Philadelphia, Pa. The development will create 40 units of affordable housing with four of the units reserved for tenants $\leq 20\%$ AMI; 20 units for tenants $\leq 50\%$ AMI; and 16 units for tenants $\leq 60\%$ AMI.



Community Reinvestment Act rating of “Outstanding”
from the Office of Comptroller of the Currency for its most recent examination period

Community Development

\$4.1+ billion

in loans for home purchases and home refinances to low- to moderate-income borrowers or for residences in low- to moderate-income census tracts

Enabling Informed Homeownership

Homeownership is a goal for many individuals and families. Through clear terms and sound advice, we help our customers determine if home ownership is right for them, obtain a loan to fit their budget, and make an informed decision. We focus on what's right for each borrower and offer an array of mortgage products that are helpful for first-time home buyers and low- to moderate-income families.

We provided nearly 20,000 loans totaling more than \$4.1 billion for home purchases and home refinances to low- to moderate-income borrowers or for residences in low- to moderate-income census tracts. Our Portfolio Loan Program provides first-time homeowners with lower rates and more flexible underwriting requirements. Low- to moderate-income individuals, and/or those purchasing a home in low- to moderate-

income neighborhoods can qualify for the program, which allows a low down payment with no mortgage insurance. It can also be combined with approved community seconds, which are grants and subsidies provided by local organizations.

In addition to offering innovative loan programs, we also help address a key element of the home purchase affordability gap by providing closing cost assistance grants to eligible low- and moderate-income homebuyers or those buying homes in low- to moderate-income tracts. Through this program, we give eligible borrowers a grant of the lesser of 3% of the loan amount or \$2,500 to help defray the upfront costs associated with a home mortgage loan. We provided nearly \$1.2 million in closing cost assistance grants in 2020.

**Citizens
GoalBuilder™**



Increasing lending in underserved communities is a priority for us. To expand borrowing options for low- to moderate-income homeowners, we launched Citizens GoalBuilder™ Home Equity Line of Credit. With lower credit limits and FICO requirements, GoalBuilder™ provides an affordable borrowing option to a wider range of customers using equity in their homes.

Community Development

Supporting Small Businesses

We view small businesses as economic engines of our local communities and help to fuel their growth through a variety of specialized tools and products tailored to meet their customized needs. Citizens is a Preferred SBA Lender and leading participant in the U.S. SBA loan programs, supporting the growth and development of small businesses. In total, we made nearly 38,000 loans to businesses with sales of <\$1 million in 2020, totaling \$1.4 billion.

In 2020, the pandemic and resulting changes to daily life were particularly challenging for the small business community. We took action to provide relief through the SBA's Paycheck Protection Program (PPP), delivering ~\$4.8 billion of loans to small- and medium-sized business clients with an average loan size of ~\$98,000. ~84% of the loans were <\$100,000, and 93% of the loans were to businesses with <25 employees supporting over 540,000 jobs.



38,000 loans

made to businesses
with sales of <\$1 million

\$50 million

committed to Community
Development Financial Institutions

Economic Opportunity Fund

In 2020, we made a commitment to fund up to \$50 million to Community Development Financial Institutions (CDFIs) to provide working capital lines of credit, small business loans, microloans, and reconstruction loans to non-bankable Black- and Brown-owned businesses. ~\$23.5 million of this funding was distributed by year end.

Through this program, eligible participating CDFIs also received operating funds for their training programs and partnered with a Citizens Business Banking Relationship Manager to participate in business and entrepreneur training programs for those they serve. We also committed \$250,000 in equity capital over two years — 2021 and 2022 — to minority entrepreneurs identified through CDFI partners, to enable the launch of new businesses or the growth of existing businesses in minority communities. Grantees will be selected based on a business-pitch style competition in which Citizens colleagues will serve on the evaluation panels.

We also made a commitment to invest \$300 million in Low-Income Housing Tax Credit (LIHTC) developments in predominantly minority census tracts at premium pricing. The premium we pay will be used to help address the digital divide at no cost to residents, by providing features such as technology centers with computer work stations and internet connectivity.

Board Governance

We believe that a strong governance framework strengthens board and management accountability and creates long-term value for our shareholders. Our commitment to the development and maintenance of a strong governance framework is grounded in our Board of Directors which has adopted robust governance practices to support this commitment, and which are foundational to its role in providing effective oversight. The Corporate Governance Guidelines adopted by our Board govern how it directs our affairs and establishes a common set of expectations as to how the Board, its various committees, and individual directors should perform their functions.

Having a strong governance framework not only creates long-term value for our shareholders — it is foundational to delivering on our responsibility to serve our customers well, provide a great place to work and build a career, strengthen our communities and operate responsibly and sustainably.

To review our key corporate governance documents including our Bylaws, Certificate of Incorporation, Corporate Governance Guidelines, Code of Business Conduct and Ethics and committee charters, visit the corporate governance section of our investor relations website: www.citizensbank.com/investor-relations.

Shareholder Engagement

We continuously interact and communicate with our shareholders in a number of forums, including quarterly earnings presentations, investor conferences, press releases and SEC filings, shareholder dialogue, our annual report, proxy statement and the annual meeting of shareholders.

On an annual basis, we proactively reach out to our largest shareholders to solicit feedback on corporate governance, executive compensation, and other ESG topics. We use this feedback to enhance our current practices. We also hold discussions with additional shareholders at their

request. We share the feedback received with our Board which discusses follow-up actions as appropriate. In 2020, we also engaged with a number of our largest shareholders, along with other stakeholders, in completing our first ESG materiality assessment allowing us to effectively identify the issues that represent our most significant risks and opportunities.

As a result of shareholder feedback in recent years as well as ongoing reviews of market and peer practice, we have made several changes to our governance and compensation practices and related disclosure. To learn more about our increased Shareholder Outreach efforts in 2020 in response to the challenges of the COVID-19 pandemic, see our [2021 Proxy Statement](#).

Diversity of Gender, Ethnicity and Tenure

Our Board is stronger with directors who offer diverse perspectives and experiences. Accordingly, the Nominating and Corporate Governance Committee considers self-identified diverse characteristics of directors and nominees in addition to each person’s professional background when reviewing Board and committee composition. Moreover, the Board requests that any firms engaged in the director search process include diverse individuals in its list of potential candidates.

12 of our 13
Directors are Independent

Independent Directors comprise: Audit, Risk, Compensation and Human Resources, and Nominating and Corporate Governance Committees

Average Director tenure	Average Director age
7 years	66 years
53% of our Board represents diverse groups	
3 women, 2 people of color, 2 veterans	

Executive Compensation

Our compensation program is designed to attract, retain and motivate the company’s leaders to deliver long-term business performance in a manner that promotes risk management and accountability and is aligned with returns to shareholders.

We continuously evaluate peer and market practice and also solicit feedback on our program and related disclosure from shareholders in order to further enhance our program.

Key design and governance features of our executive compensation program are included below. More information on our Executive Compensation program can be found in the Compensation Discussion & Analysis and related compensation tables in our [2021 Proxy Statement](#).

Key Compensation Design Features

- Executive compensation is determined by the Compensation and Human Resources Committee based on a review of multiple dimensions of company and individual performance. Executive compensation decisions are made based upon a review of multiple dimensions of performance (including financial and business delivery, customer outcomes, strategic initiatives, human capital, and risk and control) as well as consideration of other relevant factors, which facilitates management’s focus on performance overall and mitigates the risk of disproportionate focus on certain elements of performance.
- A meaningful portion of executive pay is delivered in the form of long-term awards. Our executive pay mix is aligned with shareholder interests by delivering 60%-70% of variable compensation in the form of long-term awards, the value of which is ultimately dependent on our stock price movement.
- Senior leaders are awarded a portion of variable compensation in the form of performance-based awards, including beyond the CEO’s direct team. These awards are designed to focus recipients on long-term performance. For our CEO, CFO, and the heads of our

Commercial and Consumer businesses, 45% of variable compensation overall and nearly two-thirds of long-term awards are granted in the form of performance awards with a three-year performance period and which include absolute and relative metrics.

- Our compensation arrangements do not provide for single trigger vesting or payments. Rather, vesting of equity awards or severance payments would only occur in the event of a change of control if there was also a qualifying termination of employment.

Key Compensation Governance Features

- Annual risk performance evaluation of executives by the Chief Risk Officer. The risk performance of our executives is assessed annually by our Chief Risk Officer, with the results considered in determining pay.
- Pay is subject to clawback. We have a broad-based process through which events having a material adverse impact on the Company are reviewed for potential impact on compensation, including risk-based events.
- Robust compensation plan governance. Our compensation plans are subject to a robust governance process that involves review by control partners, including risk, legal, human resources, and finance. The plans are subject to a risk review by the Compensation and HR Committee on an annual basis and a risk review by an independent third party every three years.
- Our equity plan includes strong governance features. Our equity plan does not allow for repricing or buyout of underwater options or liberal share recycling, and generally imposes a minimum vesting period of 12 months for awards.

Business Conduct and Ethics

Our successful business operation depends not only on the competence of our directors, officers and colleagues, but also upon having a reputation for honesty, integrity, and lack of bias in the conduct of our business affairs. We believe having an ethical culture that extends through every layer of the company is foundational to delivering the best possible banking experience for our customers and a great workplace for our colleagues. We are strongly committed to conducting our business with honesty and integrity and in full compliance with all applicable laws, rules and regulations.

Our [Code of Business Conduct and Ethics](#) (Code), applicable to all of our directors, officers and colleagues establishes the core standards of ethical conduct for our company. Our Conduct and Ethics Office, overseen by the Audit Committee of the Board, has oversight responsibility for monitoring the behavior of our colleagues in relation to the Code, Sales Practices and other key policy considerations on a company-wide basis. The Code addresses:

- Protection of Company and Customer Assets
- Conflicts of Interest
- Outside Activities
- Personal Conduct
- Equal Opportunity
- Anti-Money Laundering and Sanctions Compliance
- Compliance with Antitrust Laws
- Environment, Health and Safety
- Integrity of Reports, Disclosures and Investigations

On an annual basis, every Citizens colleague must certify that they have read, understand, and agree to comply with the Code. All of our colleagues receive annual training in Anti-Money-Laundering, Anti-Bribery and Corruption, Privacy, Cybersecurity, and Fraud & Identity Theft, among other topics in our mandatory training program.

All business lines have established procedures for key processes and controls that facilitate compliance with our Anti-Bribery and Corruption Policy and any relevant laws and regulations, including performing a risk assessment that considers various risk factors for corruption and also includes an assessment of high-risk vendors (such as operations, activities, geography, and interaction with customers). The Conduct and Ethics Office assists the business lines in complying with this Policy by providing the necessary advice and guidance needed and will

provide management information reporting relevant to this policy, including trend analysis and escalation to senior management of non-compliance.

Reporting Ethics Concerns

Colleagues that know of or suspect a violation of the Code of Business Conduct and Ethics must promptly report the matter. They may report anonymously if they are not comfortable reporting a suspected violation in person through our Right Call Hotline or website.

It is a violation of the Code for any supervisor, manager or colleague to discourage anyone from filing a report or limiting the avenues in which to file a report. Being directed to violate the Code by a supervisor or manager is not a valid reason or excuse for committing the violation. Instead, colleagues are required to report these improper directions. All reports will be kept in confidence to the extent possible. Making a report may not be an easy decision but CFG has a strong commitment to protect the integrity of our reporting system and the policy against retaliation. Retaliation against any individual who in good faith reports an issue or concern is not tolerated.

Supply Chain Management

We believe that the performance of our suppliers has a direct impact on the quality of products and services offered to our customers. We aim to identify responsible suppliers and treat them fairly utilizing documented criteria that will deliver high standards of performance and value. Our sourcing process is conducted to select suppliers based on quality, service and value in a fair and ethical manner.

Procurement Services leads the supply chain management practice with oversight from Third Party Risk Management. Working with internal business partners, Procurement Services helps to identify, select, manage, and develop the supply base to ensure that the current and future vendor needs of the bank are delivered. Supplier diversity, risk management, regulatory compliance, and business continuity objectives are integral to our approach.

Data Privacy and Protection

Privacy and Personal Information Protection

Protecting the privacy and personal information of our customers and employees, as well as any other individuals about whom we obtain personal information, is critical to maintaining trust and consumer confidence. We maintain our [Privacy Policy](#) on our website which outlines Citizens' personal information collection and usage practices, as well as individual privacy rights available to individuals.

Our commitment to data privacy is rooted in its strict compliance with federal and state privacy laws and also includes the ethical application of these laws. Stated another way, we strive to not only use personal information in a lawful manner, but also to use that information in the least intrusive way possible. For example, despite being lawful to do so, Citizens does not sell personal information or share personal information with unrelated third parties for them to market their own products. Our commitment to protect the privacy of our customers and employees drives how we use personal information.

We have a dedicated independent Privacy Office reporting to the Chief Privacy Officer. The Privacy Office oversees our Privacy Program which monitors ongoing privacy risks and focuses on the privacy and protection of personal information. The Privacy Office is engaged in the design of organizational changes such as new and changing products, services, and technologies and also monitors vendor and third-party adherence to the Privacy Policy and Program.

The Privacy Office partners closely with our Cybersecurity team to ensure appropriate controls are in place over personal information. The Privacy Office also partners closely with our Legal team to monitor new and emerging privacy laws to implement timely solutions when these laws introduce new requirements or privacy rights afforded to individuals. On an annual basis,

the Privacy Office presents its Annual Privacy Report to the Board of Directors related to its management of privacy risks providing additional oversight on our Privacy Program. The Privacy Office also reports and escalates risks through executive management and governance committees on a weekly and monthly basis, respectively.

In the event of a data security incident, we maintain an Enterprise Incident Management (EIM) program that, among other things, coordinates internal and external responses to any cyber or data security incident. That program includes communication plans and processes to comply with applicable laws and applicable regulatory and contractual requirements, which also supports notification to affected customers, employees, and other individuals impacted by the event. The Privacy Office is a key stakeholder within the EIM process and its posture within the bank allows for open channels of communication for privacy-related incidents.

The Privacy Office monitors privacy-related complaints and issues to determine potential impacts on our customers and colleagues. In 2020, our experience with privacy incidents included human errors impacting one-off or low volumes of customers. These errors were promptly corrected by identifying and fixing underlying process breakdowns, where applicable, and notifying impacted customers in line with privacy notification laws.

Citizens is a highly regulated entity and is subject to periodic privacy reviews by Federal Regulators. The Privacy Office also conducts privacy risk assessments on an annual basis to complement its ongoing monitoring. Our Internal Audit function also performs annual audits related to the Privacy Program.

Data Privacy and Protection

Cybersecurity

Our customers trust us with their financial well-being and we don't take that for granted — it is a trust we must earn every day. A key factor is ensuring our data security infrastructure can protect our customers against a constantly evolving threat landscape.

Our Corporate Security & Resilience (CS&R) team invests to make sure we continuously improve our cybersecurity and business resilience capabilities and have effective controls in place to safeguard our customers' information and privacy. We continually seek to enhance our layers of defense as cyber threats evolve. We work with law enforcement, regulatory agencies, industry experts, and trade organizations to ensure we are prepared for emerging threats, and regularly conduct full-scale exercises to test our capabilities to detect, respond and recover from security events. We also participate in and support programs within the public and private sectors to enhance cybersecurity preparedness across the business community.

We continue to hire top industry talent into the organization and provide our CS&R team with the training and tools needed to build our capability. We partner with universities to cultivate a future cyber workforce through tailored curriculum and internships.

All of our colleagues serve as a critical first line of defense against cyber threats. Every colleague and contractor at Citizens is required to successfully complete an annual training program that includes coverage of cybersecurity, physical security, fraud, anti-money-laundering, and customer identification. This training program is in place so that every one of our colleagues is informed and prepared to safeguard customer information.

We also want to make sure that our customers are educated about emerging cyber threats and fraud trends. We utilize numerous communication channels such as email, branch signage, online banking messages and social media channels to inform them about how to best protect themselves. Through our Citizens for Customers program, we provide briefings and presentations on timely cybersecurity and fraud topics to commercial clients and community groups.

BOARD OVERSIGHT OF CYBERSECURITY

The Board directly oversees the management of cybersecurity in addition to oversight provided by both the Risk and Audit Committees. The Audit Committee is responsible for overseeing our cybersecurity program under its risk oversight responsibilities as it relates to financial controls. The Risk Committee is responsible for oversight of management of cybersecurity risk consistent with the company's enterprise-wide risk management governance framework. The Board, Audit and Risk Committee all receive regular reporting on cybersecurity.

Fraud Prevention



28% total reduction

Combined product fraud loss improvement YOY 2017-2020



61% total reduction

ATM debit fraud loss improvement YOY 2017-2020

Our comprehensive Fraud Prevention and Authentication programs leverage a layered technology approach to protect our customers from fraud threats. We continue to invest in authentication practices, monitoring tools and early identification practices to protect our customers from evolving fraud threats across channels including telephone interactions and online banking. We strive to balance customer experience and fraud prevention with technologies and processes that reduce friction, such as two-way text messaging and email communications. As the industry evolves, so does fraud. Citizens is committed to evolving fraud prevention practices across channel and products to protect our customers.

Executive Committee

Bruce Van Saun
Chairman and
Chief Executive Officer

Mary Ellen Baker
Head of Business Services

Brendan Coughlin
Head of Consumer Banking

Malcolm Griggs
Chief Risk Officer and General Counsel

Beth Johnson
Chief Experience Officer

Susan LaMonica
Chief Human Resources Officer

Donald H. McCree
Vice Chairman and
Head of Commercial Banking

Michael Ruttledge
Chief Information Officer

Eric Schuppenhauer
President of Consumer Lending
and National Banking

Ted Swimmer
Head of Corporate Finance
and Capital Markets

John F. Woods
Vice Chairman and
Chief Financial Officer

Board of Directors

Bruce Van Saun
Chairman and CEO
Citizens Financial Group, Inc.

Lee Alexander
Executive Vice President and Chief
Information Officer, The Clearing House

Christine M. Cumming
Retired First Vice President and COO
Federal Reserve Bank of New York

William P. Hankowsky
Former Chairman, President and CEO
Liberty Property Trust

Leo I. Higdon
Past President
Connecticut College

Edward J. Kelly III
Former Chairman,
Institutional Clients Group
Citigroup, Inc.

Charles J. Koch
Retired Chairman, President and CEO
Charter One Financial

Robert G. Leary
Former CEO
The Olayan Group

Terrance J. Lillis
Retired CFO
Principal Financial Group, Inc.

Shivan S. Subramaniam
Retired Chairman and CEO
FM Global

Christopher J. Swift
Chairman and CEO
The Hartford Financial Services Group, Inc.

Wendy A. Watson
Retired Executive Vice President,
Global Services
State Street Bank & Trust Company

Marita Zuraitis
Director, President and CEO
Horace Mann Educators Corporation

Citizens Financial Group 2020 GRI Disclosure

In preparing our 2020 CR Report, we applied the [Global Reporting Initiative \(GRI\) Sustainability Reporting Standards](#). The GRI is a leading organization in global sustainability reporting. This report has been prepared in accordance with the *GRI Standards: Core Option*. Some additional disclosures not related to material GRI topics have been included in the Index

in cases where this report has satisfied additional relevant GRI standards. Please refer to the company’s quarterly and annual reports and quarterly earnings materials for additional financial performance disclosures.

GRI 102: General Disclosures 2016*

Disclosure	Description	Link or Response
Organizational Profile		
102-1	Name of the organization	Citizens Financial Group, Inc
102-2	Activities, brands, products, and services	2020 10-K, p. 6
102-3	Location of headquarters	Providence, Rhode Island
102-4	Location of operations	United States
102-5	Ownership and legal form	2020 10-K, p. 6
102-6	Markets served	2020 Corporate Responsibility Report, p. 5 ; 2020 10-K pp. 6-7
102-7	Scale of the organization	2020 Corporate Responsibility Report, p. 6 ; 2020 10-K pp. 6-7, 37
102-8	Information on employees and other workers	2020 Corporate Responsibility Report, p. 18 ; 2020 10-K, pp. 10-11
102-9	Supply chain	2020 Corporate Responsibility Report, p. 34
102-10	Significant changes to the organization and its supply chain	No applicable changes.
102-11	Precautionary Principle or approach	Risk Management
102-12	External initiatives	Citizens does not currently subscribe to or endorse externally-developed charters or principles.
102-13	Membership of associations	Citizens is a member of a number of trade associations at both the national and regional levels. Our national memberships include the American Bankers Association, Bank Policy Institute, and Consumer Bankers Association, among others.

* Citizens Financial Group’s 2020 Corporate Responsibility Report applies the 2016 version of the GRI Standards; “2016” refers to the Standards issue date, not the date of information presented in this report.

Citizens Financial Group 2020 GRI Disclosure

Disclosure	Description	Link or Response
Strategy		
102-14	Statement from senior decision-maker	2020 Corporate Responsibility Report, pp. 3–4
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	2020 Corporate Responsibility Report, p. 7
Governance		
102-18	Governance structure	2020 Corporate Responsibility Report, p. 32
Stakeholder Engagement		
102-40	List of stakeholder groups	2020 Corporate Responsibility Report, p. 13
102-41	Collective bargaining agreements	2020 10-K, p. 11
102-42	Identifying and selecting stakeholders	2020 Corporate Responsibility Report, p. 13
102-43	Approach to stakeholder engagement	2020 Corporate Responsibility Report, p. 13
102-44	Key topics and concerns raised	2020 Corporate Responsibility Report, p. 13
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2020 10-K, Exhibit 21.1
102-46	Defining report content and topic boundaries	2020 Corporate Responsibility Report, p. 12
102-47	List of material topics	2020 Corporate Responsibility Report, p. 12
102-48	Restatements of information	None.
102-49	Changes in reporting	This is Citizens' first report aligned with the Global Reporting Initiative and SASB standards.
102-50	Reporting period	Citizens' 2020 Corporate Responsibility Report covers the period of January 1 through December 31, 2020. The report contains company data as of December 31, 2020.
102-51	Date of most recent report	Our last Corporate Responsibility Report was published in June 2020.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	community@citizensbank.com

Citizens Financial Group 2020 GRI Disclosure

Disclosure	Description	Link or Response
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	2020 Corporate Responsibility Report, p. 38-40
102-56	External assurance	Citizens did not seek external assurance for the information included in this report.

GRI Topic Specific Disclosures 2016*

Disclosure	Description	Link or Response
ECONOMIC		
GRI 201: Economic Performance		
103-1 103-2 103-3	Management approach	2020 10-K pp. 6-11
201-1	Direct economic value generated and distributed	2020 Corporate Responsibility Report, pp. 5-6, 26-31
201-2	Financial implications and other risks and opportunities due to climate change	2020 CDP Response, pp. 5-24
GRI 203: Indirect Economic Impacts		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, pp. 26-28
203-1	Infrastructure investments and services supported	2020 Corporate Responsibility Report, pp. 8, 26-31
203-2	Significant indirect economic impacts	2020 Corporate Responsibility Report, pp. 8, 26-31

* Citizens Financial Group’s 2020 Corporate Responsibility Report applies the 2016 version of the GRI Standards; “2016” refers to the Standards issue date, not the date of information presented in this report.

Citizens Financial Group 2020 GRI Disclosure

Disclosure	Description	Link or Response
GRI 205: Anti-corruption		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, p. 34 Code of Business Conduct and Ethics
205-1	Operations assessed for risks related to corruption	2020 Corporate Responsibility Report, p. 34
205-2	Communication and training about anti-corruption policies and procedures	2020 Corporate Responsibility Report, p. 34 Code of Business Conduct and Ethics
205-3	Confirmed incidents of corruption and actions taken	2020 10-K, pp. 142-144
GRI 206: Anti-competitive Behavior		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, p. 34
206-1	Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	2020 10-K, pp. 142-144
ENVIRONMENTAL		
GRI 305: Emissions		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, p. 14 2020 CDP Response, pp. 1-13
305-1	Direct (Scope 1) GHG emissions	Our 2020 direct (Scope 1) GHG emissions were 10,209 mtCO ₂ e 2020 Corporate Responsibility Report, p. 14
305-2	Energy indirect (Scope 2) GHG emissions	Our 2020 indirect (Scope 2 — market based) GHG emissions were 32,441 mtCO ₂ e 2020 Corporate Responsibility Report, p. 14

Citizens Financial Group 2020 GRI Disclosure

Disclosure	Description	Link or Response																																																																																									
SOCIAL																																																																																											
GRI 401: Employment																																																																																											
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, p. 20																																																																																									
401-1	New employee hires and employee turnover	<table><tr><td rowspan="7">Total Employees</td><td colspan="2">Total Number of Employees</td><td>17,430</td><td rowspan="3">New Hires by Gender</td><td>Female</td><td>1,889</td></tr><tr><td colspan="2">Full-time</td><td>17,073</td><td>Male</td><td>1,425</td></tr><tr><td colspan="2">Part-time</td><td>357</td><td rowspan="4">New Hires by Region</td><td>New England</td><td>1,317</td></tr><tr><td rowspan="2">% Female</td><td>Full-time</td><td>57.3%</td><td>Mid-Atlantic</td><td>1,101</td></tr><tr><td>Part-time</td><td>81.2%</td><td>Midwest</td><td>397</td></tr><tr><td rowspan="2">% Male</td><td>Full-time</td><td>42.7%</td><td>Other</td><td>501</td></tr><tr><td>Part-time</td><td>18.8%</td><td rowspan="6">New Hires by Generation</td><td>Silent: 1934-1945</td><td>2</td></tr><tr><td colspan="2">Employee Breakdown by Region</td><td>New England</td><td>9,020</td><td>Baby Boomers: 1946-1964</td><td>319</td></tr><tr><td colspan="2"></td><td>Mid-Atlantic</td><td>5,217</td><td>Generation X: 1965-1980</td><td>861</td></tr><tr><td colspan="2"></td><td>Midwest</td><td>1,628</td><td>Millennials: 1981-1996</td><td>1,647</td></tr><tr><td colspan="2"></td><td>Other</td><td>1,565</td><td>Gen Z: 1997-Present</td><td>487</td></tr><tr><td colspan="2">Employee Breakdown by Generation</td><td>Silent: 1934-1945</td><td>25</td></tr><tr><td colspan="2"></td><td>Baby Boomers: 1946-1964</td><td>3,260</td><td colspan="2"></td></tr><tr><td colspan="2"></td><td>Generation X: 1965-1980</td><td>6,565</td><td colspan="2"></td></tr><tr><td colspan="2"></td><td>Millennials: 1981-1996</td><td>6,884</td><td colspan="2"></td></tr><tr><td colspan="2"></td><td>Gen Z: 1997-Present</td><td>696</td><td colspan="2"></td></tr></table>	Total Employees	Total Number of Employees		17,430	New Hires by Gender	Female	1,889	Full-time		17,073	Male	1,425	Part-time		357	New Hires by Region	New England	1,317	% Female	Full-time	57.3%	Mid-Atlantic	1,101	Part-time	81.2%	Midwest	397	% Male	Full-time	42.7%	Other	501	Part-time	18.8%	New Hires by Generation	Silent: 1934-1945	2	Employee Breakdown by Region		New England	9,020	Baby Boomers: 1946-1964	319			Mid-Atlantic	5,217	Generation X: 1965-1980	861			Midwest	1,628	Millennials: 1981-1996	1,647			Other	1,565	Gen Z: 1997-Present	487	Employee Breakdown by Generation		Silent: 1934-1945	25			Baby Boomers: 1946-1964	3,260					Generation X: 1965-1980	6,565					Millennials: 1981-1996	6,884					Gen Z: 1997-Present	696		
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		Gen Z: 1997-Present	696																																																																																								
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2020 Corporate Responsibility Report, p. 20 Citizens Careers: Benefits																																																																																									

Citizens Financial Group 2020 GRI Disclosure

Disclosure	Description	Link or Response
GRI 404: Training and Education		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, p. 20
404-1	Average hours of training per year per employee	2020 Corporate Responsibility Report, p. 20
404-2	Programs for upgrading employee skills and transition assistance programs	2020 Corporate Responsibility Report, p. 20
404-3	Percentage of employees receiving regular performance and career development reviews	2020 Corporate Responsibility Report, p. 22
GRI 405: Diversity		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, p. 17
405-1	Diversity of governance bodies and employees	2020 Corporate Responsibility Report, p. 18
405-2	Ratio of basic salary and remuneration of women and men	2020 Corporate Responsibility Report, p. 19
GRI 413: Local Communities		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, pp. 26–28
413-1	Operations with local community engagement, impact assessments, and development programs	2020 Corporate Responsibility Report, pp. 26–28

Citizens Financial Group 2020 GRI Disclosure

Disclosure	Description	Link or Response
GRI 417: Marketing and Labeling		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, p. 23
417-1	Requirements for product and service information and labeling	2020 Corporate Responsibility Report, p. 23
GRI 418: Customer Privacy		
103-1 103-2 103-3	Management approach	2020 Corporate Responsibility Report, pp. 35–36
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Any material cybersecurity incidents would be disclosed in the 2020 10-K .

Citizens Financial Group 2020 SASB Disclosure

In preparing our 2020 CR Report, we applied the [Sustainability Accounting Standards Board’s \(SASB\) Commercial Banks sector standard](#). SASB is an independent standards board dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs.

The table below cross-references the SASB accounting metrics with where that information can be found in the 2020 CR Report. For some SASB metrics, information is not disclosed because

that information is not considered material, is considered confidential, or we do not track information in a manner that corresponds to the SASB metric. Unless indicated otherwise, all disclosed information applies to the entire company for the fiscal year ended December 31, 2020.

Please refer to the company’s quarterly and annual reports and quarterly earnings materials for additional financial performance disclosures.

SASB Sustainability Accounting Standard 2018

SASB Code	Accounting or Activity Metric	Link or Response
Data Security		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Data breaches would be disclosed in the 2020 10-K if they met the SEC’s threshold for inclusion in financial filings.
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	2020 Corporate Responsibility Report, pp. 35-36
Financial Inclusion & Capacity Building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<ul style="list-style-type: none">As represented in the FFIEC Call Report, Schedule RC-C Part II, for the year ended December 31, 2020, the number of loans made to small farms and businesses was 159,518 with a total value of \$5.799 billion.2020 Corporate Responsibility Report, pp. 29-312020 10-K, p. 52
FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Citizens does not track this in a way that is fully correlative with this disclosure metric. We report related information on pages 29-31 of this report .

Citizens Financial Group 2020 SASB Disclosure

SASB Code	Accounting or Activity Metric	Link or Response
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Citizens does not track this in a way that is fully correlative with this disclosure metric. We report related information on pages 29-31 of this report .
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	2020 Corporate Responsibility Report, p. 27 Citizens Helping Citizens Manage Money

Incorporation of Environmental, Social, and Government Factors in Credit Analysis

FN-CB-410a.1	Commercial and industrial credit exposure, by industry	2020 10-K, p. 59
FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	2020 Corporate Responsibility Report, p. 24

Business Ethics

FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	2020 10-K, pp. 142-144
FN-CB-510a.2	Description of whistleblower policies and procedures	Code of Business Conduct & Ethics, p. 6

Systemic Risk Management

FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	According to the Basel Committee on Banking Supervision's assessment methodology, Citizens is not considered to be a G-SIB and accordingly does not have a G-SIB score.
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Citizens Financial Group 2020 SASB Disclosure

SASB Code	Accounting or Activity Metric	Link or Response
FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	2020 10-K, pp. 12-15

Activity Metrics

FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	(a) Personal (1) Approximately 4.7 million checking, savings, money market and CD accounts (2) Approximately \$70.7 billion total value of accounts (b) Small business Not disclosed.
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	(a) Personal (1) Approximately 4 million personal loan accounts (excluding Mortgage, HELOC, Credit cards) (2) Approximately \$25 billion total balance of loan accounts (b) Small business 2020 Corporate Responsibility Report, p. 31 (c) Corporate 2020 10-K, p. 59

Forward-looking statements and use of non-GAAP financial measures

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statement that does not describe historical or current facts is a forward-looking statement. These statements often include the words “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “goals,” “targets,” “initiatives,” “potentially,” “probably,” “projects,” “outlook,” “guidance” or similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would,” and “could.” Forward-looking statements are based upon the current beliefs and expectations of management, and on information currently available to management. Our statements speak as of the date hereof, and we do not assume any obligation to update these statements or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events. We caution you, therefore, against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. More information about factors that could cause actual results to differ materially from those described in the forward-looking statements can be found under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 as filed with the United States Securities and Exchange Commission.

Non-GAAP Financial Measures

This document contains non-GAAP financial measures denoted as “Underlying” as well as other results excluding the impact of certain items. Underlying results for any given reporting period exclude certain items that may occur in that period which management does not consider indicative of our on-going financial performance. We believe these non-GAAP financial measures provide useful information to investors because management uses them to evaluate our operating performance and make day-to-day operating decisions. In addition, we believe our Underlying results or results excluding the impact of certain items in any given reporting period reflect our on-going financial performance and increase comparability of period-to-period results, and accordingly, are useful to consider in addition to our GAAP financial results. Reconciliations of our non-GAAP financial measures used herein to the directly used comparable GAAP financial measures can be found in our [2020 Annual Review pp. 17-19](#) on our Investor Relations website.

Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar measures used by such companies. We caution investors not to place undue reliance on such non-GAAP financial measures, but to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for our results reported under GAAP.



One Citizens Plaza, Providence, Rhode Island 02903