

How Corporate Cards Can Contribute to a Company's *Sustainability Strategy*

**The Important Role of Corporate Cards
in Supporting Corporate Sustainability Goals**



Treasury and Trade Solutions



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Customers, employees, investors, business partners and governments are increasingly exerting pressure on companies to evolve their businesses towards more sustainable practices. In response to consumer demand, market pressures and evolving regulations, some of the largest global corporations are working with stakeholders across their businesses to enhance their sustainability efforts. This extends to treasury and procurement teams, who have the opportunity to play a greater role in introducing more sustainable practices into their processes.

Citi Commercial Cards can play a crucial role in helping these teams to achieve their sustainability ambitions by providing greater transparency into supplier and vendor relationships, embedding sustainability-focused policies and assisting in ongoing tracking.



Treasury best practices for embedding sustainable goals in T&E Spend

One key area that Treasury can focus on to support broader sustainability goals is corporate travel. Travel and entertainment (T&E) expenses are inextricably linked to energy consumption, which in turn contributes to CO₂ emissions. Eighty-one percent of business travellers say they want to do so sustainably¹. One of the methods that Treasury can use to embed sustainability goals is with corporate cards for T&E spend.

Treasury teams can use commercial card programs to help advance sustainability goals and support corporate-wide ESG initiatives. The following are some best practices for embedding sustainability in T&E spend:



Establishing a sustainable travel policy – Developing a travel policy that addresses both corporate goals and cardholders' sustainability preferences can include actions such as prioritizing travel booking tools that recommend more sustainable options including choices that minimize flight and rental car emissions, and certified sustainable accommodations. Promoting options that support sustainability goals is a means to appeal to evolving preferences of employees. Corporates can promote these goals by developing and implementing policies to help reduce emissions from travel such as guidelines for essential travel and ensuring alternate means of collaboration are available when requirements are not met. Corporates can revisit policies regularly as the market develops and new sustainable offerings become available.



Tracking the impact of sustainability efforts – Commercial card programs offer tools to track business travel emissions to help meet carbon reduction targets. Card programs themselves help to promote digitization across treasury operations, reducing wasteful paper processes, and facilitating analytics including impact reporting.



Tying card spend to charitable causes which support sustainability initiatives and the Environmental and Social components of ESG – To encourage corporate social and environmental responsibility, some card programs allow participants to redirect their rebate towards sustainability-focused charitable initiatives, such as reforestation.

¹Booking.com, "Booking.com's 2021 Sustainable Travel Report" (November 30, 2023). Available at [Booking.com's 2021 Sustainable Travel Report Affirms Potential Watershed Moment for Industry and Consumers](#)

As the world's most global bank, Citi's success is *closely tied to the well-being of our planet and the economic health of its communities*. We are helping our clients navigate the challenges and embrace the opportunities of our rapidly changing world.

Procurement best practices for B2B sustainability

Procurement has an important role to play in environmental sustainability because, according to a McKinsey² study, two-thirds of the average company's carbon footprint is found with their suppliers. Sixty-three percent of B2B buyers say improving sustainability in their purchasing practices is a top priority, while 89% of buyers indicated that if it were easier to identify certified sustainable products, they would be more likely to purchase with sustainability in mind³.

Procurement departments have an opportunity to leverage their corporate card programs to progress their sustainability goals. The following are some best practices for embedding sustainability in B2B procurement:

- **Creating transparency around how sustainable suppliers are prioritized** – By highlighting how sustainability factors into the way suppliers are chosen, corporates are able to increase awareness across the supply chain.
- **Rating suppliers to benchmark their adherence to shared principles** – Use of third-party raters to track and conduct data analysis of sustainability practices with suppliers can provide important benchmarks for improving synergies and meeting established ESG targets.

Supporting corporate environmental sustainability

A corporate sustainability strategy benefits from participation of stakeholders – from customers, employees, supply chain partners, investors, and senior management. Commercial card programs can offer a useful tool for helping to support sustainability efforts within treasury and procurement functions. Finding the right commercial card partner is key to those efforts.

As the world's most global bank, Citi's success is closely tied to the well-being of our planet and the economic health of its communities. We are helping our clients navigate the challenges and embrace the opportunities of our rapidly changing world. At the heart of our own sustainability work is our commitment to net zero by 2050, and we work closely with Corporates seeking to decarbonize and access the new opportunities created by the energy transition, such as accessing sustainable business travel and sustainable supply chain finance and procurement options.

²McKinsey, "Buying into a more sustainable value supply chain." (November 30, 2023). Available at [Achieving sustainable procurement | McKinsey](#)

³Amazon 2022 State of Business Report (October 1, 2023). Available at [2022 State of Business Procurement | Amazon Business](#)



Citi Commercial Cards is a founding member of the Mastercard Priceless Planet Coalition, which is comprised of financial institutions, corporates, consumers, and digital partners pledging to restore 100 million trees.

Corporates who use Citi Commercial Cards for business purposes, including travel and B2B purchases, can earn a rebate based on spend levels.

Under this program, Citi clients can choose to invest a percentage of their rebate in projects that align with their sustainability goals. The program enables corporates to make donations funded through their commercial card rebates in accredited projects to help preserve the natural environment.

Citi Commercial Cards has also been an industry leader in launching recycled PVC (rPVC) cards that are made more sustainably and that help reduce energy consumption, material consumption, carbon footprint and waste by leveraging recycled plastics. Every rPVC card is made with 85% recycled industrial waste per finished card and results in a reduction of 36% of CO2 emissions in comparison to a standard PVC Card. Since 2022⁴, Citi has deployed more than 750,000 corporate rPVC cards in the United Kingdom (UK), Europe, and Middle East and Africa clusters. Citi has rolled out rPVC Cards in a second region, North America, with additional regions expected to follow in 2024.

Citi recognizes our vital role in supporting our clients as they navigate critical sustainability issues and look for opportunities in the transition toward a more sustainable future. Citi has embedded sustainable finance expertise across our business and can deliver on these goals across our operations, and client transactions. Our Commercial Card program is an important tool for supporting our clients in these efforts.

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⁴Citi, "Citi Introduces Recycled Plastic for Corporate Cards." (October 3rd, 2023) Available at [Citi Introduces Recycled Plastic for Corporate Cards \(citigroup.com\)](https://www.citigroup.com/citi-introduces-recycled-plastic-for-corporate-cards)



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