Letter from Our CEO

As I write this note in late April, a war is raging in Ukraine with significant global ramifications.

From the beginning, we have prioritized the humanitarian crisis, doing everything we can to help the people in Ukraine, including our own colleagues, whilst keeping our business there operating so we can support critical supply chains and the NGOs delivering essential aid. We are also helping our multinational clients who have decided to wind down their business in Russia.

Although it might be too early to predict the war's long-term impact on the world order, it's not too soon to begin asking what it means for the issues at the heart of our ESG agenda — and the ESG agendas of so many other companies.

I recently returned from seeing clients in Europe and the Middle East, and it is security — be it energy, food, defense, cyber or operational — that's now consuming their attention. The challenges facing our society have not only reinforced the need for businesses such as Citi to step up, but also the critical importance of collaboration on a global scale.

Consider the climate crisis. At Citi, we've been proud to play a leading role in our industry's drive to a more sustainable future, and in recent months, we released our initial plan for reaching net zero emissions by 2050. But Russia's role as a major energy producer is forcing governments to reevaluate their energy security and supply. Ultimately, combating climate change cannot be done by any company or country alone; we need businesses making the right investments to achieve the necessary shift in supply, and consumers joining companies in advocating for governments to create the policy frameworks that will be essential to stimulating demand for clean technologies and providing the foundation for the clean energy transition.

This tension, of course, is not new. While Citi plays an enabling role in the transition to a net zero economy, we understand that it cannot occur overnight. We have to be thoughtful with the transition, meeting our clients where they are in their efforts, and then helping and pushing them to accelerate their low-carbon transitions.

Similarly, our efforts to expand financial access and opportunity have also gained new urgency. We have engaged every level of our business to think and act in support of equity and the goal of helping close the racial wealth gap and increase economic mobility in the United States. In order to effectively do this work and serve our clients and communities, we've set — and recently exceeded — talent representation goals to further diversify our own workforce and make progress toward pay equity at Citi.

We also continue to advance financial inclusion in underserved communities globally, expanding the scope of our work to areas such as healthcare, education, affordable housing and basic infrastructure. These efforts have become even more important amidst surging inflation and an emerging global food crisis that could be devastating for the world's poorest countries, which import much of their food and where households spend more than half of their income on food.

There are, of course, lessons to learn and apply to these challenges, particularly from the pandemic. COVID-19's disregard for borders underscored the interconnectedness of society. It also reminded us that global challenges demand a global, collective response. As the world becomes more fragmented, it is even more important for our global community of business to come together to confront the big challenges of our time.

At Citi, this sense of responsibility is something that continues to shape our decisions, business strategy, and firm-wide goals and commitments. We continue to be focused on action and partnering with like-minded organizations that are also doing the work. And for us, it's not just about the big numbers; it's the small number — helping society get closer to zero. Zero carbon emissions. Zero wealth gap. Zero pay gap. Zero poverty. Some might say this is idealistic, but having ambitious goals is what helps us make meaningful progress. And it's going to take all of us, working together, to make sure we continue to go in the right direction.

I invite you to learn more about these initiatives in the pages that follow. Our ESG agenda is not a separate layer that sits above what we do day-to-day. It is an effort that we began at Citi many years ago that has become core to who we are as a company and our daily worth as a bank. While our efforts will continue to evolve to reflect new global challenges, our commitment to transparency and accountability will remain constant. We will continue to share our progress and lessons learned, and we will continue to innovate and push to use our core capabilities, expertise and talent to lead by example and demonstrate how Citi is truly a bank with a brain and a soul.

Jane Fraser

JANE FRASER
Chief Executive Officer

ESG at Citi

At Citi, our ESG agenda reflects the role and responsibility we feel as a global bank to help solve many of society's toughest challenges. It's a part of our business model, and embedded in the products and services we offer. As we continue to evolve our ESG priorities to address ever-changing realities around the world, we remain committed to sharing our progress — as we believe transparency and accountability are key to success.

2021 Highlights

Furthered the acceleration to a sustainable, low-carbon economy that supports the needs of society

- Committed $1 trillion in sustainable finance by 2030, including $500 billion for environmental finance and $500 billion for social finance
- Financed and facilitated $222 billion in sustainable finance activity in 2020 and 2021

Played a leading role in driving the transition to net zero

- Unveiled initial plan to reach net zero emissions by 2050, including 2030 targets for our Energy and Power loan portfolios
- Co-founded the Net Zero Banking Alliance, which will help establish an industry framework for decarbonizing the banking sector

Maximized positive social impact and advanced financial innovations in emerging markets

- Issued a first-of-its-kind $1 billion social finance bond to expand access to essential services in emerging markets
- Announced a new commitment, through which we aim to invest in opportunities for 15 million low-income households, including 10 million women, globally by 2025

Deepened our efforts to help close the racial wealth gap and increase economic mobility in the U.S.

- Invested $1 billion in strategic initiatives as part of Citi and the Citi Foundation's *Action for Racial Equity* commitment in year one of a three-year commitment
- Launched the Diverse Financial Institutions Group to lead and expand firm-wide engagement with minority depository institutions, diverse broker-dealers and diverse asset managers
- Worked exclusively with five Black-owned firms to syndicate a $2.5 billion bond issuance
- Directed 68% of the Citi Impact Fund's 2021 asset allocation to women and/or racially/ethnically diverse founders of companies

Increased affordable housing in the U.S.

- Provided $5.6 billion in loans for affordable housing projects in 2021, making Citi the largest U.S. affordable housing development lender for the 12th consecutive year

Continued transparency around pay equity and increased diverse representation

- Disclosed annual, public update on our pay equity review, highlighting progress on median pay for women globally and U.S. minorities
- Exceeded our three-year representation goals set in 2018 to increase representation for women globally and for Black talent in the U.S.
- Promoted one of the largest and most diverse Managing Director classes in recent years

Citi's Value Proposition: A Mission of Enabling Growth and Progress

What You Can Expect from Us & What We Expect from Ourselves

Citi's mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress. Our core activities are safeguarding assets, lending money, making payments and accessing the capital markets on behalf of our clients. We have over 200 years of experience helping our clients meet the world's toughest challenges and embrace its greatest opportunities. As an institution, Citi is connecting millions of people across hundreds of countries and cities.

We protect people's savings and help them make the purchases — from everyday transactions to buying a home — that improve the quality of their lives. We advise people on how to invest for future needs, such as their children's education and their own retirement, and help them buy securities such as stocks and bonds.

We work with companies to optimize their daily operations, whether they need working capital, to make payroll or to export their goods overseas. By lending to companies large and small, we help them grow, creating jobs and real economic value at home and in communities around the world. We provide financing and support to governments at all levels, so they can build sustainable infrastructure, such as housing, transportation, schools and other vital public works.

We have an obligation to act responsibly. We also know that acting responsibly and sustainably will help to drive value for our different stakeholders and for our company. If we fall short, we will take action and learn from our experience.

We strive to earn and maintain the public's trust by constantly adhering to the highest ethical standards. We ask our colleagues to ensure that their decisions pass three tests: They are in our clients' interests, create economic value, and are always systemically responsible. When we do these things well, we make a positive financial and social impact in the communities we serve and show what a global bank can do.

Citi at a Glance

Unparalleled global network that enables us to connect and do business in 95 countries

Iconic brand with 200+ years of experience

Supporting clients in more than 160 countries and jurisdictions

Digital and mobile at the core of a simpler, better client experience

Scaling efficiencies through common processes, common platforms and common data

Unique presence in faster-growing emerging markets

Our ESG Strategy

Through our business, we address some of society's greatest challenges. In recent years, we have continued to advance our leadership and partnerships across the industry as we further hone our environmental, social and governance (ESG) strategy and approach to managing ESG issues and opportunities.

Helping to close the racial wealth gap in the United States ranks among our top priorities, and in 2021, we made tremendous progress on our *Action for Racial Equity* commitment, working across our businesses to identify ways we can help address the racial wealth gap. As of November 2021 — one year into our three-year commitment — Citi and the Citi Foundation had already invested $1 billion in strategic initiatives to help close the racial wealth gap and increase economic mobility in the United States. We committed to conduct a third-party racial equity audit to evaluate our *Action for Racial Equity* goals and launched the Diverse Financial Institutions Group, a centralized team within Citi that is serving as a hub to lead and expand firm-wide engagement with minority depository institutions (MDIs), diverse broker-dealers and diverse asset managers. Read more about our racial equity initiatives in the Equitable and Resilient Communities section.

Additionally in 2021, we announced two significant, new ESG commitments: a pledge to achieve net zero greenhouse gas (GHG) emissions by 2050 and a commitment of $1 trillion in sustainable finance by 2030 to address the impacts of climate change and other pivotal environmental and social issues that align with the United Nations Sustainable Development Goals (SDGs). These followed our most recent Sustainable Progress Strategy, which we launched one year earlier. Our ESG strategy is a central element of our business model and critical to our strategy for growth.

To help us achieve our $500 Billion Social Finance Goal, we broadened the focus of the Citi Social Finance team (formerly Citi Inclusive Finance) to develop platforms and client solutions to help expand financial inclusion, accelerate access to basic services, boost job creation and scale social infrastructure development in emerging markets.

We believe that global financial institutions like Citi have the opportunity — and the responsibility — to play a leading role in helping to drive the transition to a low-carbon economy. We are prepared to implement the significant changes needed in our business, and to support the substantial changes that will be required for the world to transition and align with the goals of the Paris Agreement.

Net zero involves rethinking our business and helping our clients rethink theirs. We can have the biggest impact by reducing Scope 3 financed emissions,[1] particularly for carbon-intensive sectors such as Agriculture, Aluminum, Cement, Coal, Commercial Real Estate, Iron and Steel, Oil and Gas, Power Generation and Transport. To reach our net zero target, we will need to work closely with our clients on their own transitions.

Following our net zero announcement, we formed an internal Net Zero Task Force to help determine a framework, scope and the methodologies to guide our progress toward this commitment. For our Energy and Power loan portfolios, we conducted an initial assessment of baseline emissions, set interim 2030 emissions reduction targets, and developed initial transition plans. Learn more in the Climate Risk & Net Zero section and in our 2021 Task Force on Climate-related Financial Disclosures (TCFD) Report: *Citi's Approach to Climate Change and Net Zero*.

ESG Across Our Business

Our ESG focus is essential to our firm-wide business strategy, and many of our business units have expanded their capacity and capabilities to serve the growing ESG-related needs of our clients. Across the firm, our business units are prepared to support and work with our clients through sustainable finance, providing a variety of products and services with environmental and/or social themes.

We have ESG specialists in Banking, Capital Markets and Advisory; Global Markets; Treasury and Trade Solutions; and Citi Global Wealth. We have expanded our global Social Finance specialist group and formed new teams to engage with clients on ESG goals and targets. Together, these businesses contribute to our $1 trillion sustainable finance commitment.

ESG Principles and Guidelines

In response to the increasing need for clients to see how we are addressing ESG — and in step with global best practices — we have aligned our reporting with the frameworks and guidance of the Global Reporting Initiative and UN Guiding Principles Reporting Framework. We are also using three relevant sector standards from the Sustainability Accounting Standards Board, and we're addressing the Principles for Responsible Banking. We also include examples of our work that align with the UN SDGs and the UN Global Compact. In addition, we recently released our 2021 TCFD Report, which further illustrates how climate-related risks and opportunities are central to our business.

1. Financed emissions are the GHG emissions generated by the operations and entities that financial institutions lend money to or invest in.

ESG Governance at Citi

Good governance is a fundamental principle at Citi, and we work to ensure that we are at the leading edge of best practices. We strive to maintain the highest standards of ethical conduct — reporting with accuracy and transparency and complying with the laws, rules and regulations that govern Citi's businesses.

Corporate Governance

Our governance structures, policies and processes serve employee, client and community needs; promote a culture of accountability and ethical conduct across our firm; and support our commitment to address global challenges through our core business.

Citi's Board of Directors plays an important role in providing oversight of our efforts to ensure responsible business practices. For example, the Personnel and Compensation Committee reviews all compensation programs, including incentive compensation, so that they do not, among other things, encourage imprudent risk taking. The Nomination, Governance and Public Affairs Committee (NGPAC) oversees Citi's global ESG activities and performance. Our Ethics, Conduct and Culture Committee reflects our commitment to promote a strong culture of ethical conduct. The Risk Management Committee also provides oversight of climate risk.

Standing committees of our Board include:

- Audit
- Ethics, Conduct and Culture
- Executive
- Nomination, Governance and Public Affairs
- Personnel and Compensation
- Risk Management

In addition, the Board formed the Transformation Oversight Committee, an ad hoc committee to provide oversight of management's remediation of the issues identified in the consent orders with the Federal Reserve Board and Office of the Comptroller of the Currency.

See our website for more information about Citi's corporate governance, including our Board committee charters. See our 2021 TCFD Report for details on our governance for climate change specifically.

ESG Governance

The NGPAC oversees our ESG activities. This committee's responsibilities include reviewing our policies and programs for sustainability, climate change, human rights, diversity and other material ESG issues, as well as advising on engagement with external stakeholders. For more information on the roles and responsibilities of this committee, see the Nomination, Governance and Public Affairs Committee charter.

In July 2021, we formed a new Global ESG Council to provide a senior management forum for oversight of our ESG commitments and ambition. The formation of the Council highlights our commitment to ESG matters, including our climate-related strategies, at the highest level of our organization. Chaired by our CEO, the Council meets on a near-monthly basis and includes members of the Executive Management Team as well as internal subject matter experts. Steering groups, including the Climate Risk Steering Group, the Net Zero Task Force and Global Sustainability Steering Committee, continue to operate, and the leads of those steering groups are members of and provide reports to the Global ESG Council. Learn more in our 2021 TCFD Report.

Sustainability and Climate Change

Citi's Board of Directors and senior management continue to expand the governance of climate risk and integrate climate considerations into their priorities. In 2021, in addition to the announcement of our net zero commitment and the creation of our new Global ESG Council, we accomplished the following:

- Grew our dedicated Climate Risk team with additional expertise in credit risk, scenario analysis, stress testing and regulatory engagement
- Rolled out our first training module on climate risk
- Created the Natural Resources & Clean Energy Transition team to combine our Energy, Power and Chemicals businesses in order to assist our clients across these sectors as they transition
- Established our Net Zero Task Force, a cross-functional group to support the development and launch of our net zero plan. The Task Force is led by our Chief Sustainability Officer and includes leaders from diverse business units such as Independent Risk Management; Banking, Capital Markets, and Advisory; Global Markets; Personal Banking & Wealth Management; as well as Global Public Affairs, Enterprise Operations & Technology, Legal and Finance.

The Board and senior management have also increased the frequency and depth of conversations regarding climate matters. Citi's Board has ultimate oversight of Citi's approaches to considering, evaluating and integrating climate-related risks and opportunities throughout the organization. The Board receives reports from key personnel on Citi's progress and key issues on a periodic basis. In addition to reporting to the full Board, the NGPAC provides oversight of sustainability activities and performance generally and the firm's climate change efforts specifically, and the Risk Management Committee (RMC) provides oversight of climate change risk.

The NGPAC receives periodic updates from Citi's Chief Sustainability Officer (CSO) and the head of Community Investing and Development. The NGPAC also reviews Citi's governance and significant policies and programs for sustainability and climate change issues and advises management on our engagement with investors and external stakeholders on these topics. For more information on the roles and responsibilities of the NGPAC, please see our NGPAC Charter. The RMC provides oversight of Citi's Risk Management function and reviews Citi's risk policies and frameworks. For more information on the roles and responsibilities of this committee, please see our RMC Charter.

In 2020 into 2021, the NGPAC reviewed and discussed investor and market developments related to net zero, including a shareholder proposal pertaining to net zero, and considerations for Citi as it deliberated on the implications of a potential net zero commitment. These discussions continued with the full Board throughout 2021. During 2021, the full Board participated in a climate education session facilitated by the Head of Climate Risk, the CSO and the Head of Corporate Banking. The full Board received reports from the CSO regarding sustainability activities and performance, including those related to climate change and Citi's net zero plan, and the RMC received reports from the Head of Climate Risk regarding emerging bank regulatory trends on climate risk and Citi's approach to meeting them. Members of the Board also participated in investor calls on a variety of governance, climate risk and environmental and social matters.

Senior managers from Global Public Affairs, Risk, Finance, Legal, Operations & Technology and various business units from our Institutional Clients Group also contribute expertise to address the challenges presented by climate change.

Learn more in the Climate Risk section and in our 2021 TCFD Report.

Community Investing

Citi Community Investing and Development (CID) is an integrated team that works across Citi's businesses and functions to catalyze positive social impact in communities around the world.

CID comprises the following teams:

- Citi Impact Fund invests in "double bottom line" companies that are addressing societal challenges, including workforce development, sustainability, physical and social infrastructure, and financial inclusion.
- Citi Social Finance works across Citi businesses globally to catalyze scalable business platforms and client solutions that enable the bank, our clients and our partners to expand financial inclusion, accelerate access to basic services, boost job creation and scale social infrastructure development in emerging markets.
- U.S. Business Partnerships leads Citi's relationships with national civil rights and consumer protection organizations to gain insights into issues affecting low- and moderate-income communities and communities of color, and catalyze product and service innovations that help expand financial access and close the racial wealth gap.

- The U.S. Community Relations team, which includes Citi Volunteers, catalyzes social impact by engaging and partnering with local community leaders and organizations across the country. The team connects Citi's people, expertise, resources, products and services to help expand equitable opportunities for all.

The Citi Foundation is a separate legal entity funded by Citi to organize flagship community programming in three areas: youth economic opportunities, financial inclusion and community solutions.

Underlying our approach is the notion that complex societal challenges require multifaceted solutions. We strive to share our expertise with, and learn from, our partners and stakeholders about ways we can enhance impact. This approach contributes directly to the UN Sustainable Development Goal **SDG 17**, which seeks to **strengthen the means of implementation and revitalize the global partnership for sustainable development.** In particular, Citi's efforts contribute to target **17.3**, which seeks to **mobilize additional financial resources for developing countries from multiple sources**, including the private sector, to ensure that sufficient financing is available to achieve the SDGs.

SDG Goal 17: Partnerships for the Goals

Learn more about this team's efforts in the Equitable and Resilient Communities section.

Talent and DEI

Citi's Chief Diversity, Equity and Inclusion (DEI) Officer and Global Head of Talent oversees our efforts to promote diversity, equity and inclusion in the workplace. Reporting to the Global Head of Human Resources, the Chief DEI Officer and Global Head of Talent works in partnership with senior management, particularly members of the Executive Management Team, who co-chair our Affinity groups. Our talent and DEI efforts are governed by the Citi Board of Directors.

Ethics and Business Practices

Ethics and responsible business practices are among the most material ESG issues for Citi and our stakeholders. The Ethics, Conduct and Culture Committee of the Board oversees management's efforts to foster a culture of ethics within the company and receives regular reports from senior management on the progress of those efforts. To learn more about the responsibilities of the committee, download the Ethics, Conduct and Culture Committee Charter. The Ethics and Culture section of this report also provides more information about efforts to encourage a culture of ethics at Citi.

Among its responsibilities, the Board's Risk Management Committee reviews Citi's risk appetite framework, including reputational risk appetite, and reviews and approves key risk policies, including those focused on environmental and social risk.

Remuneration

The Personnel and Compensation Committee of the Board holds senior executives responsible, and in turn senior executives hold their team members responsible, for managing our sustainability and other ESG-related efforts through incentive compensation decisions. Citi's incentive compensation program is discretionary, not formulaic. Management of sustainability efforts is taken into account in the program in two ways. First, senior executives are held accountable for business performance through specific metrics designated on a position-by-position basis.

Progress on our $1 trillion sustainable finance commitment and milestones for our net zero plan are incorporated into the executive scorecards of our CEO, the CEO of Citi's Institutional Clients Group and our Head of Global Public Affairs.

Second, climate change strategy and risk management performance goals are incorporated into annual goals and performance review processes for a number of our senior managers and their teams who are responsible for developing and implementing our approach to climate change. These managers include the Chief Sustainability Officer, Head of Environmental and Social Risk Management (ESRM), Head of Climate Risk and the Head of Construction and Sustainability, whose team is responsible for our environmental footprint goals. Corporate performance against scorecard metrics and individual performance against annual goals are two factors, among others, that are taken into account in determining incentive compensation.

Diversity, equity and inclusion, including representation of women and U.S. Black colleagues at the Assistant Vice President to Managing Director levels, continue to be included in scorecards for our senior executives. Citi also incorporates shareholder and stakeholder input on executive pay into our Compensation Philosophy.

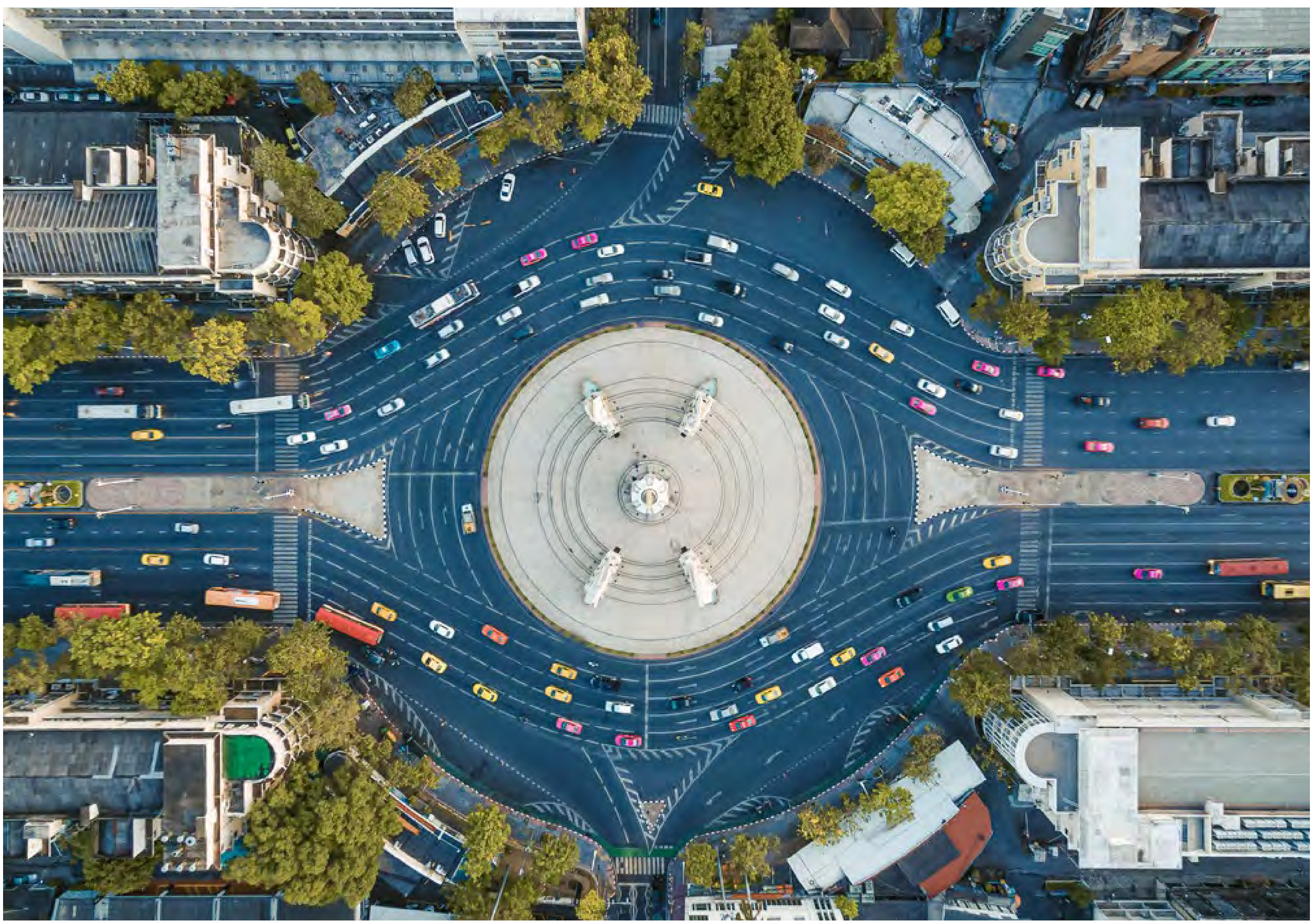
Our Material ESG Issues: Citi in a Global Context

In 2020, we conducted a materiality assessment to identify our most relevant (or "material") reporting topics from an ESG perspective — which is a broader standard than that used in our financial disclosures. These topics are incorporated in the material issues table on the next page.

Based on internal stakeholder interviews and external research, the ESG topics identified, which we refer to as "material ESG issues" throughout this report, inform which issues we report on, which issues we consider raising to our Board of Directors, and how we establish our ESG priorities.

When taken as a set, the issues that surfaced in the ESG materiality analysis indicate an increase in stakeholder expectations, in particular with regard to issues connected to climate change and social justice. The pandemic also placed increased emphasis on employee health and well-being. Most of the material ESG issues outlined on the following pages are not new to Citi nor to our stakeholders. What is new, however, is the magnitude and complexity of the changes required to rise to these challenges. For example, there is wide recognition that climate change is happening faster and with more impact than previously realized; in parallel, society is reacting to unacceptable levels of social inequity.

This assessment mirrors — and informs — our increased strategic efforts on these issues. It has also driven our increased reporting on these material topics.



Material ESG Topics*

Material ESG Topics*	Key Stakeholders					
	Clients and Customers	Employees	Suppliers	Communities and NGOs	Shareholders	Government & Regulators
Environmental						
Biodiversity	●			●	●	
Climate Change	●	●	●	●	●	●
Environmental Justice	●		●	●		
Operational Footprint		●	●			●
Products and Services with Environmental or Social Benefits	●		●	●	●	
Social						
Community Investment		●		●		
COVID-19	●	●	●	●	●	●
Employee Health and Well-being		●	●			●
Financial Inclusion	●			●	●	●
Human Rights	●	●	●	●	●	●
Racial Equity/Racial Justice	●	●	●	●		●
Talent Attraction, Retention and Development		●			●	
Workforce Diversity, Inclusion and Equal Opportunity		●		●	●	
Governance						
Business Ethics	●	●	●	●	●	●
Business Model Resilience	●				●	
Data Security/ Financial Product Safety	●	●	●	●	●	●
ESG Governancee	●	●			●	
Innovation and Digitization	●	●				
Public Policy and Regulation Reform	●			●	●	●
Stakeholder Engagement	●	●	●	●	●	●
Systemic Risk Management	●				●	
Transparency and Trust	●			●	●	●

* These are the topics identified during the materiality assessment we conducted in 2020.

Material Topics	Definitions/Relevance to Citi
Biodiversity	Our role in preventing the decline in the number, genetic variability and variety of species essential to global and bioregional ecosystem resilience through our financing
Business Ethics	Following our policies, including compliance with laws, anti-corruption and bribery, anti-competitive behavior, paying taxes and transparent political engagement
Business Model Resilience	Creating, developing and deploying a business model that can meet significant challenges such as natural disasters, health pandemics and global climate change
Climate Change	Reducing our own contribution to climate change while financing and facilitating projects that accelerate the transition to a low-carbon economy
Community Investment	Enabling greater cohesion with community stakeholders through public-private partnerships, monetary or in-kind donations, volunteer time or employee fundraising/match schemes
COVID-19	Adjusting our operations and long-term strategy to allow us to respond effectively to current and future global health crises
Data Security/Financial Product Safety	Executing the policies, procedures and programs designed to safeguard the privacy of information shared by employees, customers and clients
Employee Health and Well-being	Creating workspaces that promote employee wellness, and engaging employees in our effort to maintain a culture of safety, sustainability and wellness
Environmental Justice	Enacting environmental policies and practices that ensure the fair treatment and involvement of people of all races, national origins and income
ESG Governance	Aligning with stakeholder interests while protecting the environment, advancing social causes and conducting ourselves responsibly
Financial Inclusion	Engaging with community banks and low-income stakeholders, and orienting the company's place in the market to serve underserved communities
Human Rights	Respecting the basic rights and freedoms of clients, customers, employees, suppliers and Indigenous communities in all our banking activities
Innovation and Digitization	Problem-solving with clients, partnering with experts and fostering an environment that values experimentation and technological advancements
Operational Footprint	Reducing direct impacts by managing energy use, water consumption, recycling, waste and green building design
Products and Services with Environmental or Social Benefits	Providing products and services that drive more equity in society and that protect the environment
Public Policy and Regulation Reform	Advocating for public policies that support the interests of our company, clients and employees in the countries and regions where we operate
Racial Equity/Racial Justice	Implementing policies and programs that promote equal opportunity and treatment for people of all races
Stakeholder Engagement	Actively exchanging input, insights, expertise and perspectives with a wide array of stakeholders as we pursue our sustainability objectives
Systemic Risk Management	Navigating an evolving risk landscape to make responsible decisions and serve the long-term interests of our clients and the communities in which they operate
Talent Attraction, Retention and Development	Adopting an approach to recruiting, hiring, developing and retaining employees to create positive working conditions so that our employees can thrive
Transparency and Trust	Protecting the confidentiality of our clients' information while disclosing information to stakeholders that demonstrates our accountability and credibility
Workforce Diversity, Inclusion and Equal Opportunity	Enhancing our efforts to promote equal opportunities for all people, and supporting a culture of diversity, equity and inclusion in the workplace

Citi and the Sustainable Development Goals

Our sustainable finance commitment of $1 trillion by 2030 aligns with the ambitious agenda of the UN SDGs by furthering the acceleration to a sustainable, low-carbon economy that supports the environmental, social and economic needs of society.

As the world's most global bank, Citi has a role to play in mobilizing capital to advance progress toward the goals.

Citi is part of the Global Investors for Sustainable Development (GISD) Alliance, which includes 30 of the world's largest investors committed to accelerating the financing of the SDGs. The 30 members have committed to increase our collective efforts to align our businesses with the goals and to remove barriers to finance. Since 2010, Citi has also been a member of the UN Global Compact (UNGC), a global corporate sustainability initiative to align companies' strategies and operations with principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals. We report on our progress to implement the 10 UNGC principles.

These 17 interrelated Sustainable Development Goals represent an ambitious agenda to achieve a sustainable future by 2030. Some examples of our work to advance specific SDGs can be found throughout this report.

Stakeholder Engagement at Citi

As a signatory to the Business Roundtable's Statement on the Purpose of a Corporation, Citi is committed to ongoing and extensive engagement with our stakeholders.

We subscribe to a broad stakeholder capitalism approach, believing that we are best able to create business value when we serve the interests of a wide array of stakeholders, including our shareholders. We made a deliberate effort to continue stakeholder engagement in a pandemic environment.

To fulfill this approach, we regularly review our stakeholder partnerships across a range of functions, including Public Affairs, Investor Relations, Human Resources and Corporate Governance, as well as Sustainability, Government Affairs and other teams in Public Affairs.

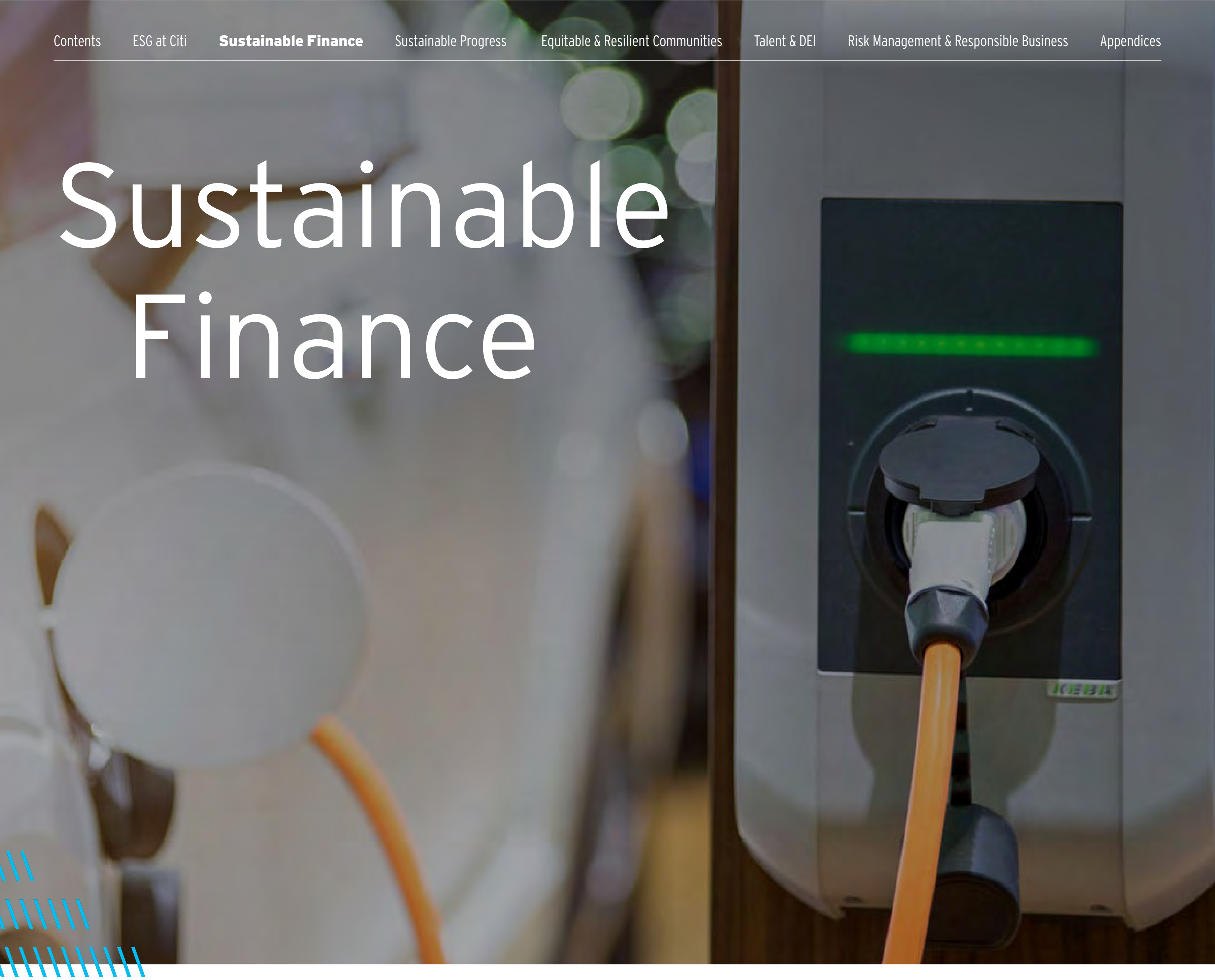
The table below includes examples of our recent stakeholder engagement efforts.

AMERICA'S MOST JUST COMPANIES

In recognition of our ESG performance, Citi was named among the Top 15 companies in JUST Capital's 2022 rankings.

Stakeholder Group	How We Engage	Examples from 2021
Clients and Customers	• Meetings to share Citi's ESG performance and to understand our clients' approaches to climate change as well as managing environmental and social risks • Social media, including our Customer Service Twitter handle (@AskCiti) • Customer satisfaction survey • Citi Blog	• Hosted a feedback session for stakeholders including clients, investors and NGOs to provide commentary on our TCFD disclosures and our approach toward setting net zero targets and measuring our baseline emissions. Learn more in the Climate Risk & Net Zero section • Worked with clients on sustainable finance transactions • Engaged with clients to discuss our approach to environmental, social and climate risk management and disclosure • Participated in a number of materiality exercises for clients' ESG reporting
Employees	• Company intranet, email, mail and meetings • Voice of the Employee surveys • Affinity Networks and Green Champions • Online training • Performance reviews • Citi Blog	• Nearly 196,000 staff completed Financial Crimes compliance training, including on anti-money laundering, sanctions and anti-bribery topics • Rolled out a new Climate Risk training for employees in Risk functions • Featured stories on Citi's intranet and in blog posts from Citi senior executives, employees and partners, highlighting our progress on ESG priorities • Our Global Sustainability Network consists of employees from across Citi whose work directly relates to sustainability and ESG, to promote knowledge sharing and alignment on related activities • Our Champions groups within our Banking, Capital Markets and Advisory; Global Markets; and Treasury and Trade Solutions businesses are comprised of employee volunteers. The Champions have quarterly global calls and monthly regional calls to share business updates and best practices for sustainable finance, net zero transition and market developments.
Suppliers	• Meetings, calls, conferences and workshops • Corporate Responsibility Questionnaire to help assess management of ESG issues, including environmental sustainability and modern slavery	• Hosted multiple events to create opportunities to engage with diverse suppliers and help to build their capacity, including sustainable business practices

Stakeholder Group	How We Engage	Examples from 2021
Communities and Nongovernmental Organizations (NGOs)	• Specialized websites, including our Communities and Sustainability websites • Collaboration with community organizations and NGOs on issues relevant to their organizations and our business • Dialogue sessions with community advocates and leaders, civil rights and consumer protection organizations • Employee volunteering events	• Our Head of Community Investing and Development chairs Living Cities, a collaborative of the largest philanthropic foundations in the United States dedicated to closing racial wealth gaps • Our Chief Sustainability Officer joined the board of the GOOD Institute, a social impact alliance • Thousands of employees participated in Citi's annual Global Community Day Reimagined 2021, with more than 61,000 volunteer engagements across 81 countries and territories
	• Citi Foundation provides grants and works with local and national community organizations	• The President of Citi Foundation serves on the Board of Directors of the Council on Foundations, a community of diverse philanthropic organizations advocating for progress
Shareholders	• Group calls and meetings (quarterly earnings calls, investor conferences and Citi-hosted group meetings) • One-on-one meetings to discuss financial performance and ESG issues • Communications through our Investor Relations and Corporate Governance teams	• Engaged in person and virtually with more than 20 individual investor groups as part of our annual ESG investor roadshow, focused on climate change and diversity—our fourth year of dedicated ESG engagement
Government and Regulators	• Meetings, conference calls, lobbying activities, industry associations, public policy forums, press conferences, conferences and convenings • Membership on government councils and committees	• Engaged with trade associations, such as the United States Chamber of Commerce, the Business Roundtable, and financial industry associations to help build the case for climate policy and supportive regulation • Member of the CEO Climate Dialogue, a cross-industry effort committed to advancing climate action and durable federal climate policy in the United States • Led the workstream to revitalize minority depository institutions (MDIs) and promote fair and equal access to financial products and services as part of the Office of the Comptroller of the Currency's Project REACh
Other Financial Institutions	• Working groups • Joint projects • Industry groups, roundtables, workshops and events	• Member of the Glasgow Financial Alliance for Net Zero (GFANZ) Principals Group and the Net Zero Banking Alliance (NZBA) Steering Group • Member of United Nations Environment Programme Finance Initiative's (UNEP FI) Global Steering Committee and the Institute for International Finance's Sustainable Finance Working Group • Joined the Corporate Call to Action: Coalition for Equity & Opportunity launched by the Connecticut Office of the Treasurer and the Ford Foundation • Led a working group focused on assessing best practices for developing effective operational level grievance mechanisms and enabling effective remedy for adverse human right impacts in project-related finance • Joined the UNEP FI's Taskforce on Nature-related Financial Disclosures Forum



Sustainable Finance

In This Section

Our $1 Trillion Commitment

We have committed $1 trillion to sustainable finance by 2030, a commitment that spans our business offerings and exemplifies how environmental and social finance are integrated across our businesses. The ambitious $1 trillion commitment will support innovation and collective action toward addressing the most significant global challenges that are outlined in the Paris Agreement and the UN Sustainable Development Goals (SDGs).

Announced in April 2021, the $1 trillion commitment extended our previous environmental finance goal from $250 billion by 2025 to $500 billion by 2030. Through this commitment, we will finance and facilitate a wide array of climate solutions, such as renewable energy, clean technology, water conservation and sustainable transportation. We have also committed $500 billion toward activities in social finance, which includes important investments in education, affordable housing and basic infrastructure, health-care, economic inclusion and food security. Together, these $500 billion targets for environmental and social finance make up our $1 trillion commitment, which aims to further accelerate the transition to a sustainable, low-carbon economy that supports society's environmental, social and economic needs.

$1 Trillion in Sustainable Finance by 2030

Our $1 trillion sustainable finance commitment aims to further accelerate the transition to a sustainable, low-carbon economy that supports society's environmental, social and economic needs. The commitment aligns with the ambitious agenda of the UN Sustainable Development Goals (SDGs). As the world's most global bank, Citi has a role to play in mobilizing capital to advance progress toward the goals.

ENVIRONMENTAL FINANCE GOAL CRITERIA

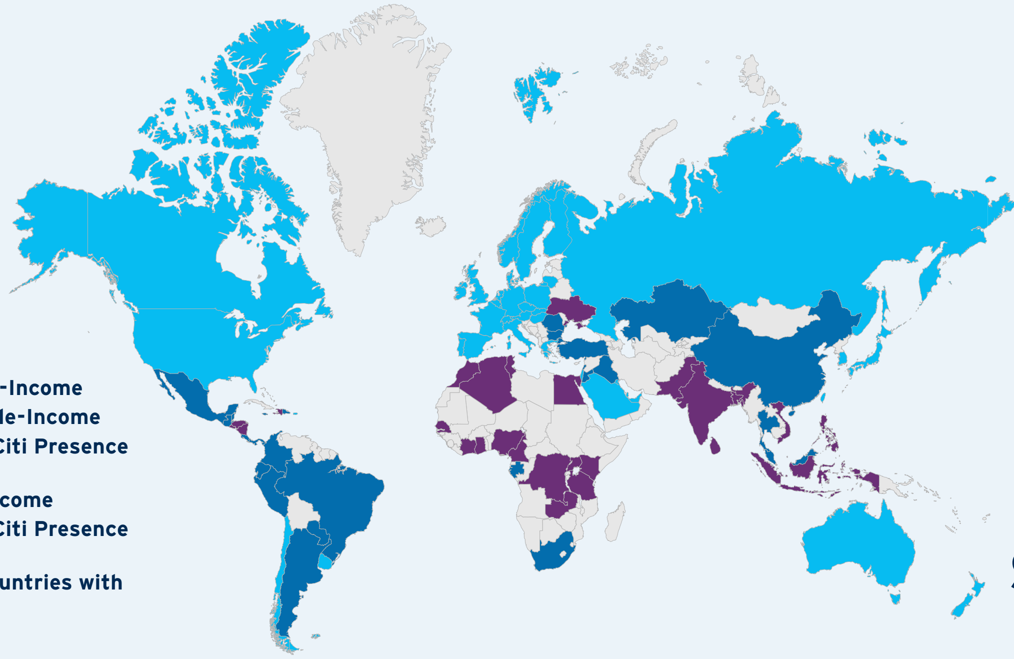
- Circular Economy
- Clean Technology
- Energy Efficiency
- Green Buildings
- Renewable Energy
- Sustainable Agriculture & Land Use
- Sustainable Transportation
- Water Conservation & Quality

SOCIAL FINANCE GOAL CRITERIA

- Affordable Basic Infrastructure
- Affordable Housing
- Diversity & Equity
- Economic Inclusion
- Education
- Food Security
- Healthcare

REGIONAL REPRESENTATION (2020-2021)

We finance and facilitate sustainable activities to support the needs of people and communities around the world.



- World Bank Low-Income and Lower-Middle-Income Countries with Citi Presence
- Upper Middle-Income Countries with Citi Presence
- High-Income Countries with Citi Presence

$18.2B Asia Pacific

$59.6B Europe, Middle East and Africa

$9.5B Latin America

$134.8B North America

Additional data related to our $1 trillion commitment can be found later in this chapter.

We believe that setting ambitious goals helps to drive innovation and accelerate progress. Reaching $1 trillion will require the development of innovative financing solutions. We will continue to focus on helping clients across all sectors, no matter where they are in their own sustainability journeys, to support their strategic goals and enable the development and integration of sustainable business practices.

Over recent years, we have seen the development of financial products that were relatively new, or even nonexistent, when we set our very first $50 billion climate finance goal in 2007. Thematic bonds, sustainable supply chain finance and sustainability-linked bonds and loans that are tied to ESG performance are contributing to sustainable finance, and we expect to see further innovations in the coming years.

Tracking Progress

Each transaction we finance or facilitate must meet at least one of eight criteria for environmental finance or one of seven criteria for social finance to be counted toward the overall $1 trillion commitment. These criteria were informed by external standards and may therefore be subject to changes as industry guidelines are further developed.

Credit for each eligible transaction is counted only once toward the $1 trillion commitment, even if the transaction meets multiple criteria. Transactions that meet both environmental and social criteria are evenly split between the $500 Billion Environmental Finance Goal and the $500 Billion Social Finance Goal — without double counting. Because of the interconnected nature of sustainable finance, we are already seeing an increasing number of transactions with both environmental and social benefits.

We track our sustainable finance activities using third-party financial league table credit, where applicable. The industry league tables track public financial activities and rank financial institutions based on their role (i.e. lead arranger, bookrunner, etc.) in each transaction. For financial products for which there are no league tables, we count the amount that reflects Citi's financial involvement in the deal.

Beyond counting the financial credit, we also calculate the estimated environmental and social impacts associated with a subset of activities where feasible, such as avoided greenhouse gas emissions, renewable energy capacity added, jobs supported and people impacted. We take a conservative approach to the estimation of impacts from the activities we finance and facilitate — including only deal activity for which reasonable methodologies and data sources are available, and excluding deals for which we have limited transparency and details. We estimate that since 2020, approximately 3.9 million metric tons (mt) of greenhouse gas emissions have been avoided as a result of our renewable energy, green affordable housing and energy efficiency financing activities. Additionally, we estimate that our financing activities supported approximately 1.8 million jobs, affected 26 million people globally and contributed to approximately $9.5 billion in U.S. GDP. We consider impact measurement an area of ongoing education and improvement, and we will continue to challenge ourselves in this area.

Sustainable Finance in Action

The global market for sustainable finance has been growing rapidly over the last few years in response to the climate emergency and COVID-19. Investors and companies alike recognize the pivotal role that the financial services sector will play in facilitating a socially responsible economic recovery that also accelerates the transition to a more sustainable, low-carbon economy.

The volume of sustainable debt issuances, for example, broke records in 2021, surpassing $1.6 trillion — more than double the $762 billion of sustainable

1. Bloomberg NEF (BNEF), 1H 2022 Sustainable Finance Market Outlook.
2. https://www.refinitiv.com/perspectives/market-insights/sustainable-finance-continues-surge-in-2021/.

debt issuances in 2020, which itself had set records.[1] The sustainable mergers and acquisitions deal activity reached $197 billion in 2021, which was a 60% increase from 2020 activity.[2]

Growth also continues to be seen in the markets for sustainability-linked financing, one of the fastest-growing innovations in sustainable finance. Sustainability-linked instruments are general corporate purpose transactions that use key performance indicators (KPIs) and sustainability targets to measure a company's progress, which result in a reduced financing rate if the target is met or a penalty if the company fails to meet the target. With momentum gained in recent years, the growth of sustainability-linked financing extended to the global leveraged finance markets in 2021;[2] sustainability-linked transaction volumes increased significantly across leveraged loan and high-yield bond issuances, highlighting the popularity of tying sustainability performance to cost of financing. This innovation is also expected to grow in the derivative markets, with sustainability-linked derivatives. Acknowledging this momentum in the market, we count sustainability-linked instruments toward Citi's sustainable finance goal when they incorporate sustainability key performance indicators and targets that are aligned with at least one of the goal criteria.

The growth of sustainable capital markets has also been driven by corporations, sovereigns and supranational institutions focused on achieving their sustainability commitments, contributing to the SDGs and aligning with the goals of the Paris Agreement.

Many of our business units across the bank contribute to our $1 trillion commitment. There are global industry specialist teams that focus on different sectors and industries, such as the recently formed Natural Resources & Clean Energy Transition team, which engages with our clients to support their low-carbon transition efforts, as well as the Citi Social Finance team, which partners with business units across Citi to help drive innovative efforts on social finance activities in emerging markets. In many instances, the deals have integrated and interrelated environmental and social elements and impacts. For additional information on new teams we created or restructured over the last few years to engage with clients on their sustainability and transition journeys, see the Sustainable Progress section.

The following are just some examples of innovative environmental and social finance transactions from 2021 that will be counted toward the overall $1 trillion commitment.

INCENTIVIZING SUPPLY CHAINS: McCORMICK & COMPANY
Sustainable Agriculture

In 2021, Citi partnered with McCormick & Company, a global leader in flavor, and the International Finance Corporation (IFC) to provide McCormick's suppliers with financial incentives linked to improvements in measures of social and environmental sustainability. McCormick's supply chain spans over 3,000 agricultural products sourced from more than 85 countries.

Under the initiative, suppliers can qualify for discounted rates on short-term working capital financing when they achieve sustainability standards accepted by McCormick. These standards include performance on labor conditions, health and safety practices, crop management, environmental impact, farmer resilience and women's empowerment. The partnership included an advisory component in Vietnam, where IFC is helping McCormick build a more sustainable, traceable, certified and quality-compliant pepper supply chain through capacity development and the empowerment of women farmers.

2. https://www.refinitiv.com/perspectives/market-insights/sustainable-finance-continues-surge-in-2021/.

EXPANDING ACCESS TO RELIABLE ENERGY IN KENYA
Renewable Energy and Affordable Basic Infrastructure

Off-grid solar home systems are a vital way to expand access to reliable energy. Citi was the sole coordinator on a $75 million transaction to expand access to off-grid solar energy in Kenya. The financing will support Greenlight Planet's ambitions to reach an additional 10 million households in low-income, off-grid communities over the next five years.

Greenlight Planet Kenya is a group company of Greenlight Planet Inc., a leading designer, distributor and financier of rooftop solar home systems for off-grid and weak-grid homes. Through its network of 200 branches and 8,000 field agents, Greenlight sells its Sun King-branded solar energy systems directly to its off-grid residential clients and provides "pay-as-you-go" financing to facilitate their purchase.

To date, the company's Sun King products have saved customers more than $4 billion cumulatively, which would otherwise be used to purchase CO_2-emitting kerosene lanterns and to charge mobile phones.

LINKING LOANS TO SUSTAINABILITY METRICS
Diversity & Equity

The investment firm BlackRock has been a vocal leader in encouraging companies to set and meet environmental and social sustainability goals. In 2021, BlackRock amended its $4.4 billion revolving credit agreement to incorporate certain sustainability-linked metrics.

Citi acted as joint lead arranger and co-sustainability structuring agent for the 5-year sustainability-linked loan that ties BlackRock's borrowing costs to its ability to achieve certain targets for increased representation of women in leadership and higher representation of Black and Latinx employees in its U.S. workforce, as well as increasing sustainable assets under management. Pursuant to the terms of the credit agreement, BlackRock's applicable borrowing costs are subject to upward or downward adjustments on an annual basis if BlackRock achieves, or fails to achieve, certain specified targets. The facility reinforces BlackRock's commitment and accountability to achieving certain sustainability goals by integrating a component of financial alignment through its liquidity management strategy.

EXPANDING ACCESS TO HEALTHCARE IN SUB-SAHARAN AFRICA
Healthcare

mPharma is working to expand access to healthcare across low-income communities in sub-Saharan Africa. By optimizing supply chains and increasing efficiencies, mPharma is able to bring high-quality, affordable medicines to communities most in need – the so-called "last mile" of distribution for pharmaceuticals and vaccines. mPharma also provides financing solutions for mom-and-pop pharmacies, clinics and patients in underserved areas such as Ghana, Nigeria, Zambia and Kenya.

Thanks to a line of credit from Citi under Scaling Enterprise, a partnership with the U.S. DFC and the Ford Foundation, mPharma will be able to serve more than 2 million patients in the countries where it operates. Health clinics that operate with mPharma report a decrease of up to 25% in medical-related complications.

EMPOWERING WOMEN ENTREPRENEURS IN MEXICO

Economic Inclusion and Diversity & Equity

Women represent one-third of entrepreneurs in Mexico, yet they typically have few opportunities to access financial investments for their businesses. In 2021, Citi partnered with the U.S. International Development Finance Corporation (DFC) and Japan International Cooperation Agency (JICA) to provide $70 million to Banco Compartamos, the largest microfinance institution in Mexico.

Compartamos, which translates to "let's share" in Spanish, is using the funding to support and empower more than 135,000 small businesses, approximately 90% of them women-owned. A portion of the loans is dedicated to the less developed regions of the country, including Chiapas, Oaxaca, Guerrero and Puebla. Learn more in this video.

SUPPORTING COVID-19 RESILIENCE THROUGH UNICEF

Healthcare

The global pandemic has exacerbated poverty rates and global inequality, affecting millions of children worldwide. The World Bank and the United Nations Children's Fund (UNICEF) were looking for new ways to accelerate funding to meet the increasingly urgent needs for their joint pandemic relief programs.

Citi acted as sole structure and arranger for a first-of-its kind $100 million bond transaction from the World Bank's International Bank for Reconstruction and Development, which allowed UNICEF to access capital markets funding to support its private sector fundraising activities. The bond gave institutional and high net worth investors an opportunity to support UNICEF's work with children, including COVID-19 resilience programs around the world. The cash flows on the bond are linked to future donations to UNICEF.

The bond proceeds will support two programs: $50 million will be used by the World Bank to finance its sustainable development programs, including projects targeting the health and socioeconomic impacts of COVID-19; the other $50 million will be allocated to UNICEF to expand programs in 18 countries, targeting future funding of up to $450 million.

DEVELOPING MORE SUSTAINABLE RAIL LINES

Sustainable Transportation

The development of a 25-kilometer monorail line is one of the largest construction projects in Panama since the expansion of the Panama Canal. Citi acted as sole global coordinator and mandated lead arranger for $2 billion in green loans for the Panama Metro project on behalf of a consortium of Korean companies led by Hyundai Engineering & Construction.

The elevated train line will have initial capacity to transport 18,000 passengers per hour in each direction, with an ultimate goal of more than 30,000 passengers per hour in each direction. The monorail will incorporate Hitachi's B-CHOP system, which harnesses the train's regenerative energy to substantially reduce energy consumption while the train is in braking mode. The system is expected to cut back 20,000 tons of carbon dioxide emissions annually while providing energy for future use.

FINANCING RENEWABLE ENERGY WHILE INCREASING DIVERSITY
Renewable Energy and Diversity & Equity

In November, Citi provided AES' Clean Energy business, a leading renewables development platform in the United States, with financing to fund the construction and operation of the Skipjack Solar Project outside Richmond, Virginia. The project is expected to provide 225 megawatts-DC (175 megawatts-AC) of renewable energy capacity; once online, the project will sell 100% of its solar energy output under a 14-year, fixed-price agreement to one of the largest power generator companies in the U.S.

The transaction also included a milestone: Citi's first execution of a sustainability-linked derivative for a construction project — a KPI-linked interest rate swap to support the financing of the project. Under the terms, AES commits to achieving key performance indicators linked to increasing gender diversity measured by employees who self-identify as female or nonbinary employees and increasing new hire employees who self-identify as members of an underrepresented group.

Citi acted as coordinating lead arranger, lender, and swap syndication arranger on this transaction, providing a comprehensive financing package for AES, a company that is focused on accelerating the future of energy, together.

STRUCTURING A GREEN HYBRID BOND
Clean Technology

Citi helped German chemicals company Evonik Industries, one of the world leaders in specialty chemicals, issue a €500 million green hybrid bond in 2021 — acting as sole green structuring advisor, joint structuring agent, joint global coordinator and joint bookrunner on the transaction.

The corporate hybrid bond structure can be attractive to issuers, particularly in Europe, that are looking for a stronger credit profile or financial flexibility. The green issuance followed the publication of Evonik's Green Finance Framework, which integrates sustainability into the company's financial strategy. Under the framework, proceeds from green financing instruments may be used for eligible projects in the areas of eco-efficient products, energy efficiency and renewable energy.

Proceeds of this green hybrid bond issuance will primarily be used to finance investments in Evonik's Next Generation Solutions — products and solutions with sustainability benefits that Evonik expects to grow significantly in the coming years.

$1 Trillion Sustainable Finance Commitment

Financial Data*

In billions USD

Sustainable Finance	2020**	2021	$	%
Environmental Finance	$ 33.0	$ 130.1	$ 163.1	73.4%
Social Finance	$ 29.4	$ 29.6	$ 59.0	26.6%
Total	**$ 62.4**	**$ 159.7**	**$ 222.1**	**100%**

Business	2020	2021	Total	%
Investment Banking	$ 50.1	$ 149.6	$ 199.6	89.9%
Mergers & Acquisitions	$ 5.3	$ 57.4	$ 62.7	
Debt Capital Markets	$ 30.4	$ 77.6	$ 108.0	
Thematic Bonds (Green, Social, Sustainable)	$ 25.8	$ 44.5	$ 70.3	
Sustainability-Linked Bonds	$ 0.0	$ 4.2	$ 4.2	
Sustainability-Linked Loans	$ 4.6	$ 27.9	$ 32.5	
Green and Other Loans	$ 0.0	$ 1.0	$ 1.0	
Equity Capital Markets	$ 2.8	$ 3.4	$ 6.2	
Municipal Underwriting	$ 11.6	$ 11.3	$ 22.8	
Corporate Lending***	$ 10.7	$ 9.3	$ 20.0	9.0%
Treasury & Trade Solutions	$ 1.4	$ 0.6	$ 2.0	0.9%
Markets†	$ 0.3	$ 0.1	$ 0.4	0.2%
Corporate/Other (Citi Investments)	$ 0.0	$ 0.1	$ 0.1	0.1%
Total	**$ 62.4**	**$ 159.7**	**$ 222.1**	**100%**

Sustainable Finance Criteria	2020	2021	Total	%
Circular Economy	0.4	2.1	2.5	1.1%
Clean Technology	0.6	0.0	0.6	0.3%
Energy Efficiency	1.2	2.5	3.7	1.6%
Green Buildings	1.6	1.4	2.9	1.3%
Renewable Energy	7.0	19.5	26.5	11.9%
Sustainable Agriculture & Land Use	0.2	0.0	0.2	0.1%
Sustainable Transportation	3.7	46.7	50.4	22.7%
Water Quality & Conservation	1.3	1.6	2.9	1.3%
Environmental: Multiple††	12.9	47.7	60.6	27.3%
Affordable Basic Infrastructure	0.7	0.3	1.0	0.5%
Affordable Housing	10.4	10.6	21.0	9.5%
Diversity & Equity	0.3	0.3	0.6	0.3%
Economic Inclusion	3.9	2.7	6.6	3.0%
Education	4.3	0.9	5.3	2.4%
Healthcare	4.1	1.9	6.0	2.7%
Food Security	0.0	0.0	0.0	0.0%
Social: Multiple††	1.4	4.3	5.7	2.6%
Environmental & Social†††	8.5	17.1	25.6	11.5%
Total	**62.4**	**159.7**	**222.1**	**100%**

Region	2020	2021	Total	%
Asia Pacific	$ 5.0	$ 13.2	$ 18.2	8.2%
Europe, Middle East and Africa	$ 15.6	$ 44.0	$ 59.6	26.8%
Latin America	$ 2.4	$ 7.1	$ 9.5	4.3%
North America	$ 39.4	$ 95.4	$ 134.8	60.7%
Total	$ 62.4	$ 159.7	$ 222.1	100%

* Figures may not sum to totals due to rounding.
** Following the announcement of the $1 trillion sustainable finance commitment in 2021, we performed a retroactive review of 2020 sustainable finance activities using our updated goal criteria, which is reflected in the accounting of environmental and social finance activities on this page.
*** "Corporate Lending" includes, but is not limited to, financing for community capital (affordable housing), commercial banking, clean energy finance, project finance, and other lending.
† "Markets" currently includes, but is not limited to, commodities transactions that meet renewable energy criteria.
† † Denotes activities falling under multiple environmental or social criteria, including green or social bond transactions where the issuer's framework comprises multiple eligible categories.
† † † Refers to transactions that met both environmental and social finance criteria. Credit for such transactions were split evenly between the environmental and social finance goals.

$1 Trillion Sustainable Finance Commitment

Impact Data

The reporting on our progress toward our $1 trillion commitment in sustainable finance by 2030 includes measuring the environmental and social impacts associated with contributing sustainable finance projects. Where feasible, we have estimated the impacts representative of Citi's financing and facilitation activities. Our impact measurement methodologies align with our accounting approach, reporting our share of the impacts proportional to our financial share of the transaction.

Environmental Impacts	2020	2021	Total
1) Avoided greenhouse gas (GHG) emissions (mt CO_2e)	2,665,387	1,221,796	3,887,184
From renewable energy projects	2,479,658	995,850	3,475,508
From green affordable housing finance	1,897	789	2,686
From energy efficiency finance	183,832	225,158	408,990
2) Renewable energy capacity added (MW)	1,650	718	2,368

Social Impacts	2020	2021	Total
1) Total people impacted	11,130,783	14,901,937	26,032,720
People impacted through microfinance and home solar systems	307,421	1,407,205	1,714,626
People impacted through renewable energy projects	1,822,972	1,035,387	2,858,359
People impacted from affordable housing projects	52,305	44,556	96,861
People impacted from education projects	247,220	46,651	293,872
People impacted from water improvement projects	2,013,124	12,282,759	14,295,882
People impacted from transit systems	6,687,741	85,379	6,773,120
2) Total jobs supported	360,608	1,397,725	1,758,333
Jobs supported through microfinance and home solar systems	307,421	1,351,650	1,659,071
Jobs supported through renewable energy projects	4,485	4,237	8,721
Jobs supported from affordable housing projects	38,904	30,519	69,423
Jobs supported from education projects	7,701	7,012	14,713
Jobs supported from water improvement projects	1,565	3,465	5,030
Jobs supported from transit systems	534	841	1,375

Impact Calculation Methodology Summary

Citi initiatives help to create measurable impacts for communities across the world. To estimate the environmental and social impacts of Citi-financed projects and activities we looked at the following metrics:

- **Avoided GHG emissions** refers to the amount of GHG emissions avoided because of Citi's share of financing for renewable energy, green affordable housing and energy efficiency projects. GHG emissions avoidance is calculated by applying regional electric grid factors to Citi's share of financing across three types of activities, including a low-carbon source replacing energy use from the grid, energy efficiency upgrades and green housing units that are LEED-certified. Impacts reflect the per annum benefit as opposed to benefit over entire project life.
    - For renewable energy projects, total project capacity for energy is calculated as the annual capacity factor applied to the total project size per annum and multiplied by the CO_2 emissions factor.
    - For energy efficiency upgrades, the average household energy savings is calculated as the average household energy use multiplied by the percentage of energy savings per thousand U.S. dollars invested. The result is multiplied by the total warehouse value and the CO_2 emissions factor.

   - For green buildings, the average household energy savings is equal to the average energy use of a non-LEED-certified building multiplied by the percentage of energy savings by a LEED-certified building. The result is multiplied by the number of square feet and the per square feet CO_2 emission factor.
- **Renewable energy capacity added** refers to the size of new renewable energy capacity installed as a result of Citi's share of renewable energy project financings.
- **People impacted** refers to the direct number of people benefiting from the use of Citi-financed lending activities for small businesses, renewable energy and energy efficiency projects, affordable housing, and underwritten municipal bond proceeds for transit, water and education projects.
   - For microfinance lending activities, people impacted is equivalent to the number of entrepreneurs and small farm holders receiving business loans as self-reported by Citi teams.
   - For renewable energy projects and energy efficiency finance, people impacted is equivalent to the number of people whose annual energy usage is supplied by the project. Estimated renewable energy generation annually due to Citi financing is divided by average energy consumption per capita in the country of the project to estimate number of people impacted.
   - For affordable housing, the number of people impacted is calculated using external reference data on average household size multiplied by the number of housing units constructed.
   - For municipal bond financing related to education projects, people impacted is estimated as the number of enrolled school children benefiting from new or repaired school buildings or purchases of equipment. External education data on average student enrollment by school, and the number of schools benefiting from funding as stated in issuance documents, was used for this calculation.
- **Direct jobs supported** refers to the number of jobs supported by the uses of Citi-financed lending or underwritten municipal bond proceeds. Jobs supported are related to Citi's share of new financing for the projects. For microfinance lending, jobs supported are equal to the number of entrepreneurs and smallholder farmers that received loans. For projects involving new construction or maintenance and repair of affordable housing units, renewable energy generation, schools, transit or water systems in the United States, jobs supported are calculated as Citi-financed expenditures divided by output per worker supplied by the IMPLAN economic modeling system. For projects involving renewable energy generation in locations outside the United States, external data is used to estimate the share of project cost involving installation (labor), and this is divided by average compensation of workers in the country to estimate jobs supported.

Sustainable Progress

In This Section

The climate crisis has created not just an opportunity to lead — but an opportunity to partner: working with our clients to decarbonize their businesses as part of our journey to net zero.

The science is clear, as is the need to move urgently toward a low-carbon economy. The financial sector has a critical role to play in supporting other industries to reduce their environmental impacts and transition their business models in line with what is needed to keep global warming to 1.5°C.

Our Sustainable Progress Strategy builds on our decades-long track record in sustainability and environmental finance. To drive the transition to a low-carbon economy, we are drawing on our expertise, expanding our business unit capabilities and deepening our engagement with the carbon-intensive sectors that are of highest priority for transformation.

The strategy, which is integrated into our Environmental and Social Policy Framework, focuses on three areas: financing the low-carbon transition, deepening climate risk assessment and disclosure, and reducing the environmental impacts of our own operations. The environmental finance transactions that count toward our $1 trillion commitment to sustainable finance, which also includes a commitment to social finance, illustrate how Citi is contributing to the low-carbon transition.

One year after setting our Sustainable Progress Strategy, we took an important next step on the path toward a low-carbon future, pledging to achieve net zero greenhouse gas (GHG) emissions for our financing (by 2050) and for our operations (by 2030).

Sustainable Progress Strategy

Low-Carbon Transition

Accelerate the transition to a low-carbon economy

Finance and facilitate low-carbon solutions and support our clients in their decarbonization and transition strategies

Climate Risk

Measure, manage and reduce the climate risk and impact of our client portfolio

Continue our work on policy development, portfolio analysis and stakeholder engagement, as well as enhancing our TCFD implementation and disclosure

Sustainable Operations

Reduce the environmental footprint of our facilities and strengthen our sustainability culture

Minimize the impact of our global operations through operational footprint goals and further integrate sustainable practices across the company

Citi's Sustainability Journey

Citi has been engaging in sustainability and environmental initiatives for more than 20 years, and we continue to advance our leadership and partnerships across the industry.

1997

Joined the **UN Environment Programme Finance Initiative (UNEP FI)**

2000

Published first **Global Citizenship Report**

2003

Co-created **Equator Principles** and our broader **ESRM Policy**

2006

Issued world's **first local investment-grade microfinance bond**

2007

First U.S. bank to publish **Statement on Human Rights**

First U.S. bank to set **CO_2 reduction target**

Launched 10-year **$50B Climate Initiative**

Participated in the **first-ever global IPO in microfinance**

2008

Structured **first securitization of microfinance assets** in the world

2010

Joined **UN Global Compact**

2014

Co-created **The Green Bond Principles**

2015

Launched original **Sustainable Progress Strategy** and **$100B Environmental Finance Goal**

2016

Commenced 2020 (3rd generation) **environmental footprint goals**

2017

Announced **100% renewable electricity** by 2020 goal

2018

Published first **TCFD Report**

2019

Issued **inaugural €1B green bond**

Signed onto the **Principles for Responsible Banking**

Co-developed the **Poseidon Principles**

Joined the **UN Global Investors for Sustainable Development (GISD) Alliance**

2020

Joined **Partnership for Carbon Accounting Financials**

Launched **Sustainable Progress Strategy**

Published **2020 TCFD Report**

Achieved **100% renewable electricity** for all facilities

Joined the **European Clean Hydrogen Alliance**

Issued **$1.5B green bond**

Launched ***Action for Racial Equity*** $1B commitment

Launched **$200M Impact Fund**

2021

Joined the **Sustainable Markets Initiative** Financial Services Task Force

Announced **Net Zero Emissions by 2050** commitment

Announced **$1T in sustainable finance by 2030** commitment

Co-founded the **Net Zero Banking Alliance (NZBA)**

Partnered with the **UN Framework Convention on Climate Change (UNFCCC)**

Issued **$1B social finance bond**

Joined the **Rocky Mountain Institute Center for Climate-Aligned Finance**

2022

Published **2021 TCFD Report,** which includes our initial **Net Zero by 2050 Plan**, and **2030 interim targets** for Energy and Power loan portfolios

Financing the Low-Carbon Transition

One of the core elements of our Sustainable Progress Strategy is our commitment to finance and facilitate activities that accelerate the transition to a low-carbon economy. We doubled our previous commitment of $250 billion by 2025 and set an ambitious $1 trillion sustainable finance commitment by 2030 — half for environmental finance and half for social finance.

But it's not just about financing and facilitating transactions. Working collaboratively with our clients in decarbonizing and helping them in their transitions is a central focus of our net zero plan. We believe systemic collaboration is essential for the global economy to reach net zero emissions. We are already engaging with numerous clients with respect to their climate exposure profile. We intend to deepen our engagement with them to understand their transition plans in greater detail as those plans evolve and help them in their strategies to realize opportunities inherent in transitioning to a low-carbon world.

Transforming Our Business to Support a Low-Carbon Economy

Climate change has become a C-suite issue for clients in all sectors of the global economy, in terms of growth opportunities and risk management, and ESG considerations are increasingly part of our business conversations. To support client needs, we have expanded our client engagement offerings across our business to offer strategic sustainability and ESG services and solutions.

Our business groups are focused on helping clients in all sectors, no matter where they are in their own sustainability journeys. We offer customized products and services to support clients in their transition to more sustainable business models and practices that will advance progress toward a low-carbon future.

Within **Banking, Capital Markets and Advisory (BCMA)**, sustainability and ESG is being integrated into our businesses and client engagements. We engage with C-suite executives, boards of directors and treasury teams on strategic financing using a sustainability lens, providing insights about industry transformations, trends and sustainability risks and opportunities.

In early 2021, we created the Natural Resources & Clean Energy Transition (NRCET) team to drive client engagement efforts in the Energy, Power and Chemicals sectors. This team unites seasoned corporate and investment bankers with deep knowledge of these sectors under a single umbrella to assist our clients with the net zero transition. Our Sustainability and Corporate Transitions (SCT) team, founded in 2020, also engages with clients at the C-suite and senior levels across sectors to support the transition of their business models to a sustainable and low-carbon future, helping them identify their ESG challenges and opportunities to shape their strategy.

In 2021, Citi served as the exclusive financial advisor to South Korean conglomerate SK Holdings in a transaction noted as the largest investment ever in the hydrogen fuel cell space. The $1.6 billion deal gave SK Group a 9.9% stake in Plug Power Inc., a leading provider of hydrogen fuel cell and green hydrogen generation systems in North America. The two companies entered into a strategic partnership to provide hydrogen fuel cell systems, hydrogen fueling stations and electrolyzers to the Korean and broader Asian markets in order to accelerate hydrogen as an alternative clean energy source throughout Asia.

South Korea is one of the most important and developed markets for hydrogen. The government has set a roadmap with ambitious goals to build a hydrogen-based economy by 2040.

Also in BCMA, our Sustainable Debt Capital Markets (Sustainable DCM) team has technical expertise on green, social and sustainability bonds as well as sustainability-linked bonds (SLB), and works within debt capital markets and with industry bankers to originate and structure issuances for these types of bonds on behalf of clients around the world. The Sustainable DCM team also advises Citi Treasury on Citi's own sustainable debt issuance programs.

The Sustainable DCM team has helped numerous clients globally structure innovative sustainability-linked bonds (SLB) tied to sustainability goals. Such bonds are an example of KPI-linked instruments that commit the issuer or borrower to specific sustainability objectives, such as greenhouse gas (GHG) emissions reduction or other key performance indicators (KPIs).

Citi acted as SLB Structuring Advisor and Active Bookrunner on Johnson Controls International (JCI)'s inaugural $500 million SLB in September 2021. As part of this transaction, JCI committed to (i) reduce absolute Scope 1 and 2 GHG emissions by 35% and (ii) reduce absolute Scope 3 GHG emissions from the use of sold products by 5%, all by 2025 from a 2017 baseline, supporting JCI's long-term net zero emissions by 2040 target. Failure to achieve these targets will result in a 25 basis point coupon step-up. JCI was also the first S&P 500 company to publish an integrated sustainable finance framework encompassing both use-of-proceeds bonds (green, social or sustainability) and sustainability-linked bonds, allowing JCI to issue any/all sustainable financing instruments.

In another first, Citi client Tesco became the first UK corporate and the first retailer globally to launch a SLB tied to ambitious GHG emissions reduction targets in January 2021. As the largest retailer in the United Kingdom, Tesco PLC has the ability to make a significant impact on the path to a low-carbon future. Tesco is aiming to become carbon neutral across its own operations by 2035 and

net zero across the value chain by 2050. Citi acted as structuring advisor and active bookrunner on the €750 million SLB. As part of this bond issuance, Tesco agreed to cut its Scope 1 and 2 GHG emissions by 60% by 2025, relative to a 2015 baseline. Failure to achieve this target in Tesco's 2025 financial year will result in a 25 basis point step-up in the coupon in 2027, 2028 and 2029, reinforcing Tesco's climate commitments to both external and internal stakeholders.

Also in 2021, Citi served as sole structuring advisor and lead left bookrunner for a $2.8 billion green bond offering for Ardagh Metal Packaging, a global leader in sustainable aluminum packaging solutions. The offering was the largest-ever high-yield green bond completed to date. Ardagh has published a Green Financing Framework that provides details on the eligible use of proceeds.

In our **Global Markets** business, we recently established a dedicated ESG team to support our client engagement through the integration of strategic sustainability and ESG services and solutions. Global Markets provides clients with ESG thought leadership about trends, market evolution, themes, integration and data-driven analysis. We aim to lead our clients through the rapidly evolving landscape of ESG by partnering with clients to develop new solutions across fixed-income, securitized products, multi-asset strategies and sustainable real assets, in addition to our full range of solutions in equities. Using our strengths in primary issuance and secondary trading, we support the development of deep, liquid and efficient sustainable markets. Citi is also able to address origination and financing gaps for clean energy and energy-efficiency project developers and investors by working across banking, advisory, origination and markets teams for optimal client solutions.

Our Clean Energy Finance group, for example, has expertise in providing full-service financing solutions for a broad spectrum of renewable energy technologies, serving as a one-stop shop for our clients, as well as financing to help clients implement energy efficiency projects.

Citi Global Wealth, through its Investing with Purpose approach, offers managed opportunities, alternative investments and tailored exposure to capital markets to help clients pursue their sustainable investment objectives. As clients have been increasingly concerned with the impact their investments may have on society and the environment, the direction of sustainable investing is evolving past socially responsible investing, and Citi Global Wealth has updated its offerings to meet this growing area of client demand. The Investing with Purpose platform provides opportunities for private clients to invest alongside Citi's institutional clients. Multiple Citi Global Wealth clients have participated in differentiated capital markets solutions supporting the global green energy transition, an investment thesis reaffirmed by our investment strategy team. As the world goes greener, the opportunities for Citi Global Wealth investors are likely to multiply over the coming years, enabling us to build entire core and opportunistic allocations that reflect sustainable principles — a process we might describe as "greening your portfolio."

Our **Treasury and Trade Solutions (TTS)** business provides financing and cash management solutions to clients across the globe.

We have established a global, cross-functional ESG working group to develop holistic sustainable working capital, investment and cash management solutions. These include, but are not limited to, Sustainable Supply Chain Finance, Sustainable Trade and Working Capital Loans and Sustainable Deposits, as well as Money Market Funds with ESG principles embedded. Through

our Export Agency Finance business, we enhance our clients' ability to access capital in higher risk markets by delivering financial solutions in partnership with Development Finance Intuitions, Export Credit Agencies and Multilateral Agencies designed to improve risk capacity. Read about the Panama Metro project and the Banco Compartamos project.

In November, we launched our first Sustainable Supply Chain Finance (SSCF) program in Asia Pacific with the aim of supporting clients as they advance their ESG priorities, improve the resilience of their supply chains and manage working capital needs. The program was implemented for Henkel, the German chemical and consumer goods company, and is targeted at existing or new suppliers that demonstrate strong or improving sustainability performance. Qualifying suppliers can access Citi's supply chain financing at preferential rates on a tiered basis, with rates improving as a supplier's sustainability score improves. Henkel, with the support of a global leading sustainability assessment agency, will assess the sustainability performance of suppliers.

TTS's Liquidity Management Services support treasuries' goals with various cash investment products that have incorporated sustainability principles. Clients can invest their excess cash with Money Market Funds that have incorporated ESG principles. In December, we expanded our innovative Green Minimum Maturity Time Deposit, a sustainable cash investment product that gives clients the ability to invest their short-term liquidity in environmentally friendly projects. Investments in Citi's green deposits or new Green Minimum Time Deposits will be allocated to finance or refinance a portfolio of green projects that meet the rigorous environmental finance eligibility criteria defined in our Green Bond Framework. The new product also gives clients greater flexibility to extend the investment period.

Climate and Biodiversity

We are continuing to learn about the complex dynamics between climate and biodiversity. These two topics are deeply interconnected, and there is an increasing awareness that climate change, along with other human-caused stresses on natural systems, is contributing to biodiversity loss and ongoing extinction events.* "Natural capital" is a way to conceptualize the various resources and services that are provided by resilient ecosystems. This concept helps to inform the increasing focus on biodiversity, its impact on climate and the importance of disclosure.

A recent Citi Global Perspectives & Solutions (GPS) report: Biodiversity: The Ecosystem at the Heart of Business explores why businesses and investors should care about biodiversity loss. The report explains that businesses rely on nature for their products and ecosystem services such as clean air, water, pollination and carbon sequestration. At the same time, their operations create direct and indirect impacts on nature that can, and often do, negatively affect their business. By failing to understand the dependencies and impacts on nature and biodiversity, companies open themselves up to biodiversity risk that could affect the profitability of their businesses. This in turn poses risks to their investors.

There is a growing realization that we are losing biodiversity at an alarming rate. This requires urgent action that is complementary to climate action. Global wildlife populations have fallen an average of 68% in just 46 years,** and human activities threaten 1 million animal and plant species with extinction.*** At the same time, there is a financing gap of $598 billion to $824 billion per year† for broad action on biodiversity, suggesting significant business opportunities. Additionally, nature-positive solutions can create $10 trillion in business opportunities and 395 million new jobs by 2030.†† These solutions could deliver up to 37% of CO_2 emission reductions by 2030.†††

To support our understanding and action on biodiversity, we are also a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, a global and multidisciplinary consultative network of institutional supporters who share the vision and mission of the TNFD. (To learn more, see the Risk Management section).

* See Anthony D. Barnosky et al., *Has the Earth's Sixth Mass Extinction* ..., 471 NATURE 51, 51 (2011); Gerardo Ceballos et al., *Vertebrates on the Brink* ..., 117 (24) PNAS 13596 (2020); Belinda Reyers & Elizabeth R. Selig, *Global Targets that Reveal* ..., 4 NATURE ECOLOGY & EVOLUTION 1011 (2020).
** WWF, Living Planet Report 2020: Bending the Curve of Biodiversity Loss (2020), R.E.A. Almond, M. Grooten and T. Petersen (eds.) WWF, Gland, Switzerland.
*** IPBES, Global Assessment Report on Biodiversity and Ecosystem Services of the Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (May 2019), E.S. Brondizio et al. (eds.), IPBES, Bonn, Germany, ISBN: 978-3-947851- 20-1.
† A. Deutz et al., Financing Nature: Closing the Global Biodiversity Financing Gap (September 2020), The Paulson Institute, The Nature Conservancy and the Cornell Atkinson Center for Sustainability.
†† World Economic Forum, New Nature Economy Report II: The Future of Nature and Business (July 2020).
††† B.W. Griscom et al., "Natural Climate Solutions" (October 2017), Proceedings of the National Academy of Sciences of the United States of America, 114 (44), pages 11645-11650.

Climate Risk and Net Zero

When we consider the risks related to climate change, we apply a double materiality perspective, looking at both the impact of climate change on our business and our business's impact on the climate.

Citi's business is exposed to numerous climate risks given our role as one of the largest financiers of the global economy, including carbon-intensive industries. This means that as we address and mitigate risks, we must take into account how we will protect and strengthen our business while ensuring that our clients become part of the solutions that are needed to transition to a low-carbon economy.

We prioritize regular reporting about our progress and approach in relation to climate risk, as we believe transparently sharing our journey is an important contribution we can make both to the broader industry and to our clients. Citi has disclosed climate-related metrics and targets for our environmental finance activities and our operations for well over a decade, and we released our first Climate Change Position Statement in 2007. Since then, our commitment to this issue has only grown, as evidenced by our strategic approach, alignment with global standards and the continued evolution of our Environmental and Social Risk Management (ESRM) Policy in response to the changing risk landscape.

Our TCFD Report: *Citi's Approach to Climate Change and Net Zero*

To find more detailed climate-related disclosures, see our 2021 Task Force on Climate-related Financial Disclosures Report: *Citi's Approach to Climate Change and Net Zero*. The report discloses our work to implement the TCFD recommendations across the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets and includes our initial net zero plan for our Energy and Power loan portfolios.

First established in 2003, our ESRM Policy applies to all Citi entities globally and provides a framework for how we identify, mitigate and manage the potential risk to Citi associated with the environmental and social risks of our clients' activities. It guides our financing decisions for companies and projects within environmentally sensitive and/or high-carbon sectors. It also provides us with opportunities to advise our clients on climate-related risks. To learn more about our ESRM Policy and related due diligence, see the Environmental and Social Risk Management section.

In addition to establishing internal policies and practices, we also align with external standards to strengthen our processes, reporting and engagement.

We have supported the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since they were released in 2017. Our objective is to understand the potential financial risks from climate change to Citi, our clients and communities; how Citi and our clients may be contributing to climate change; and how we can help our clients transition to a low-carbon economy.

Find out more about our implementation of the TCFD recommendations in our 2021 TCFD Report. In addition, this ESG Report includes a TCFD index indicating where climate-related content in response to TCFD recommendations can be found throughout this report and other public documentation.

PARTICIPATION IN NET ZERO FRAMEWORKS

Citi is a member of multiple industry groups that enhance our understanding of — and ability to act on — climate-related issues. These groups include the Partnership for Carbon Accounting Financials (PCAF), the Net-Zero Banking Alliance (NZBA) and the Glasgow Financial Alliance for Net Zero (GFANZ). Learn more about these in our 2021 TCFD Report.

Our Net Zero Commitment

In 2021, we announced our commitment to net zero greenhouse gas (GHG) emissions by 2050, in alignment with the objectives of the Paris Agreement and prevailing climate science. Reducing Scope 3 financed emissions[1] is widely recognized as the most significant contribution the financial industry can have to achieving a low-carbon economy. Our commitment will include interim financed emissions reduction targets for carbon-intensive sectors, as described by the UN Environment Programme Finance Initiative (UNEP FI) Guidelines for Climate Target Setting for Banks. To date, we have set 2030 emissions targets for our Energy and Power loan portfolios.

For our own operations, we are targeting net zero GHG emissions by 2030, which builds on our environmental footprint goals and the 100% renewable electricity goal that we achieved in 2020. (Learn more in the Sustainable Operations section.)

The approach and activities related to our net zero commitment are distinct from our management of climate risk for our firm. While our net zero commitment is keenly focused on Citi's impacts on the climate and reducing GHG emissions to net zero across our value chain, our climate risk management efforts are focused on Citi's safety and soundness, and thus on the integration of climate risk into our risk management governance, processes and strategies. Although these two priorities differ in their primary focus, they are related to and reinforce each other, leading to mutual benefits. As we execute on our net zero commitment, the resulting reduction in financed emissions will help to reduce our climate transition risk.

Citi's net zero ambition builds on our commitment to the UNEP FI Principles for Responsible Banking, our leadership in climate disclosure in alignment with the TCFD and our ESRM Policy — specifically our Sector Approaches related to fossil fuels. Transparency and accountability are keys to success, and we will report annually on our net zero progress.

Our commitment to net zero is significant, given the size and breadth of our portfolios and businesses. To achieve it, we must meet our clients where they are in their sustainability journeys and help accelerate their progress in this area. We will work with all our clients, including our fossil fuel clients, to develop credible plans that include the responsible retirement of carbon-intensive assets as we transition to net zero together. We will prioritize partnering with clients on transition strategies, and exiting client relationships is a last resort.

Banks are facing growing pressure to divest from fossil fuels. In some instances, such as thermal coal mining, where there is credit risk from stranded assets in addition to climate risk, we have already established a transparent time frame for our transition expectations. However, we are cognizant that large-scale, rapid divestment could result in an abrupt and disorderly transition to a low-carbon economy, creating both economic and social upheaval on a global scale. For example, certain carbon-intensive companies may play critical roles in channeling the necessary capital expenditures and providing the raw materials to support new climate technologies or may provide necessary baseload power for developing countries.

An orderly, responsible and equitable transition, which accounts for the immediate economic needs of communities and workers as well as environmental justice and broader economic development concerns, is essential to retaining political and social support for the shift to a low-carbon economy. Under the goals of our net zero plan, we seek to balance these needs to facilitate this complex transition.

Initial Net Zero Plan

We released our initial net zero plans for our Energy and Power loan portfolios in our 2021 TCFD Report. The plans for these portfolios build upon the calculation of our financed emissions and the setting of interim 2030 emissions reduction targets for these sectors. Our net zero plan incorporates a twofold approach: assessment of our clients' climate profiles and engagement to understand their transition opportunities. Additionally, we will employ a number of tools, phased in over time, to help move these portfolios toward our 2030 targets. Underlying the implementation of this plan is Citi's continued effort to expand our climate-related resources and engage directly with our clients.

1. Financed emissions are the GHG emissions generated by the operations and entities that financial institutions lend money to or invest in.

Considerations for Loan Portfolio Assessments

Energy and Power Sectors

The first step of our net zero plan involves engagement, client by client, to understand each client's GHG emissions disclosure and their perspective and plans for transition. Additionally, we will review public disclosures, climate governance and the commitments and actions they have taken to date. We anticipate that this initial review phase will continue through the end of 2023. In the following table, we highlight some of the key considerations that will frame client engagement.

- APPLICABLE TO BOTH SECTORS
- POWER SECTOR ONLY
- ENERGY SECTOR ONLY

GHG Emissions Public Disclosure

Review public disclosures such as sustainability reports or submissions to the CDP Climate Change Questionnaire and supplement with direct engagement with clients

- Scopes 1 & 2 (absolute emissions & physical intensity)
- Scope 3
- Baseline year
- Status of data verification

GHG Emissions Reduction Targets

Review public statements on net zero/decarbonization commitments or alignment with external initiatives such as the Science Based Targets initiative. For the Energy sector, assess targets for GHGs such as methane

- Net zero commitment or science-based targets
- GHG emissions reduction targets
- Methane reduction targets
- Flaring reduction/phase-out targets

Climate Risk Scoring

Harness public discourse and statements and third-party data as well as our ongoing client engagement, to develop an internal assessment for both transition and physical risk

- Transition risk assessment
- Physical risk assessment

Decarbonization/Transition Plan

Understand clients' climate transition plans. Determine the tools that clients will employ, including capital allocation, product diversification and linkages to executive compensation

- Scope 1 decarbonization plan
- Scope 2 decarbonization plan
- Evolution of energy sources
- Product diversification and Scope 3 reduction
- Capital allocation
- Governance – accountability, compensation links

Client Asset Evaluation

Where available, review asset-level data for further assessments of climate risk and emissions intensity; this is particularly applicable to project finance

- Existing generation assets (carbon intensity analysis)
- Existing reserves and assets
- Comparative economics of production
- Carbon-intensive asset retirement schedule
- Resilience risks

External Climate Scores

Reference third-party ratings systems for additional data on climate-related performance

- PACTA Score
- CA 100+ Score
- World Benchmarking Alliance
- Carbon Tracker Initiative
- Transition Pathways Initiative

Other Data

Consider the social elements of transition, including human rights risks, access to energy for developing countries, livelihoods of communities and workers in these sectors and the relevant regulatory environment

- Sustainable development factors
- Country/regional regulatory environment

Achieving Our Targets

We will use a variety of approaches, many of which will run concurrently, to reach our financed emissions reduction targets for our Energy and Power loan portfolios. For further detail on these five areas of activity, refer to our 2021 TCFD Report.

Client Transition Assessment, Advisory and Finance

- Client engagement and assessment
- Transition advisory and finance, including debt and equity underwriting and lending

Clean Tech Finance

- Support existing and new clean technologies to accelerate commercialization

Public Policy Engagement

- Support enabling public policy and regulation in the United States and other countries, including through trade associations and other industry groups

Risk Management

- Dimension climate risk exposure across our lending portfolios and review client carbon reduction progress
- Ongoing review and refinement of ESRM Policy

Portfolio Management

- Active portfolio management to align with net zero targets, including considerations of transition measures taken by clients

While our transition plans for each loan portfolio will be based on a rigorous net zero methodology, we are still in the early stages of plotting our net zero journey. We expect to modify our transition plans and targets as both the availability and quality of data improve and as climate scenarios are updated. We also recognize that there will be uneven year-on-year progress toward our 2030 targets, because clients and sectors differ in their capacity to transition and in the time frames in which their carbon reduction investments will be realized.

Energy and Power Baseline Emissions and Interim Targets

During 2021, we used the PCAF methodology to conduct an analysis of our Energy and Power portfolios using 2020 data. In alignment with PCAF requirements, this analysis is based on funds outstanding (drawn and not yet repaid) by clients during the year to provide a view of financed emissions associated with our activities during that year.

2020 ABSOLUTE FINANCED EMISSIONS: OUTSTANDING EXPOSURE (MT CO_2E*)

Scope	Power	Energy
Scope 1	4,261,747	17,308,063
Scope 2	164,059	518,594
Scope 3	N/A**	40,113,950***
Total	**4,425,806**	**57,940,607**

* mt CO_2e = metric tons of carbon dioxide equivalent.
** Omission of Scope 3 emissions for Power is explained in the "Scope 3 Calculation Methodology" in Appendix A (page 71) of our 2021 TCFD Report.
*** Scope 3, Category 11: Use of Sold Product, for extractive and refining sectors.

The PCAF methodology is primarily focused on reporting financed emissions on an annual basis and relies on data of funds outstanding, not the total funds that a financial institution may have committed to the client in the reporting year. While we intend to continue disclosing per the PCAF requirements to provide this annual view of financed emissions associated with our activities, we are using "committed funds" data to more holistically attribute our clients' emissions for the baseline financed emissions figures in our net zero plan. Consequently, we undertook an additional analysis of our Energy and Power loan portfolios using total committed funds to calculate baseline emissions from 2020 and establish 2030 emission targets. The use of committed funds in this context provides a more accurate reflection of the maximum emissions-generating activity that Citi has agreed to finance and is therefore better suited for the purposes of forward-looking emissions management and target setting. This approach results in discrepancies between the metrics we report for PCAF and for our net zero targets, but we believe the committed funds approach is better aligned with the way we expect to manage our net zero targets.

2020 ABSOLUTE FINANCED EMISSIONS: COMMITTED EXPOSURE (MT CO_2E)

Scope	Power	Energy
Scope 1	11,464,654	33,847,434
Scope 2	485,784	1,434,241
Scope 3	N/A*	108,478,743
Total	**11,950,438**	**143,760,418**

* Omission of Scope 3 emissions for Power is explained in the "Scope 3 Calculation Methodology" in Appendix A (page 71) of our 2021 TCFD Report.

To reach net zero, we must move from our baseline across a decarbonization pathway to our ultimate net zero target. Establishing 2030 targets are the first step in that journey. The next step is to develop an implementation plan to achieve targeted reductions in each relevant sector. We are evaluating a number of strategies and tools to drive towards the established goals, though they may not all be applicable for every sector or client. Some of the emissions reduction approaches and potential future tools include client engagement, capital allocation strategy and portfolio management tools.

The table on the following page summarizes our current 2030 emission targets for Citi's Energy and Power portfolios. These interim 2030 targets are a key component of our net zero plan for emissions in our client portfolio.

Sector	Scenario	2020 Baseline	2030 Targets
Energy (Scope 1, 2, 3)	**Net Zero Emissions by 2050 (NZE 2050)***	**143.8** million mt CO_2e	**29%** reduction from 2020 baseline **102.1** million mt CO_2e
Power** (Scope 1)	**Sustainable Development Scenario (SDS 2020)***	**313.5** kg CO_2e/MWh	**63%** reduction in Scope 1 intensity per MWh **115** kg CO_2e/MWh***

* International Energy Agency scenarios.
** Only includes power generation clients. Clients primarily in the transmission and distribution value chain were excluded.
*** The emissions intensity from the IEA SDS OECD scenario is derived by dividing the CO_2e emissions resulting from the Power sector with the electricity generation at 2030.

Note: These targets are based on available data as of September 2021. Updates to improve data quality of the baseline numbers may result in changes to these targets.

More information about the analysis we conducted to establish these targets, including scenario selection and the scope and boundaries of the targets, is available in our 2021 TCFD Report. In future years, we will conduct further analysis to facilitate target setting for additional sectors. In 2022, we plan to focus on the Auto Manufacturing, Steel, Thermal Coal Mining and Commercial Real Estate sectors for core analysis and target setting, in alignment with the NZBA guidelines. We will consider the remaining sectors, including Aluminum, Aviation, Cement and Agricultural subsectors in 2023 and 2024.

Citi's Approach to Managing Climate Risk

Citi's Risk Management function is responsible for identifying, measuring, managing, controlling and reporting risks to the company. We identify climate risk as an "emerging risk" in Citi's Enterprise Risk Management Framework. Within the framework, emerging risks are those that are new or rapidly changing, with high growth potential, and are characterized by data unavailability or other uncertainties. We do not view climate risk as a stand-alone risk category but as a transversal risk, capable of manifesting across each of Citi's seven risk categories in our risk taxonomy: Credit, Market, Liquidity, Strategic, Operational, Compliance and Reputation. Climate impacts may be either physical- or transition-related and may vary depending on the time horizon.

During 2021, we strengthened our governance and deepened our expertise to advance effective management of climate risks and opportunities. Highlights include the following:

- Formation of a new Global ESG Council, consisting of senior members of management, with the aim of providing enhanced oversight of our ESG activities and goals
- Creation of the Natural Resources & Clean Energy Transition team to integrate our Energy, Power and Chemicals businesses, in order to assist our clients across these sectors as they transition
- Growth of our dedicated Climate Risk team, with an emphasis on expertise in credit risk, scenario analysis, stress testing and regulatory engagement
- Establishment of a Net Zero Task Force to support the development and launch of our net zero plan

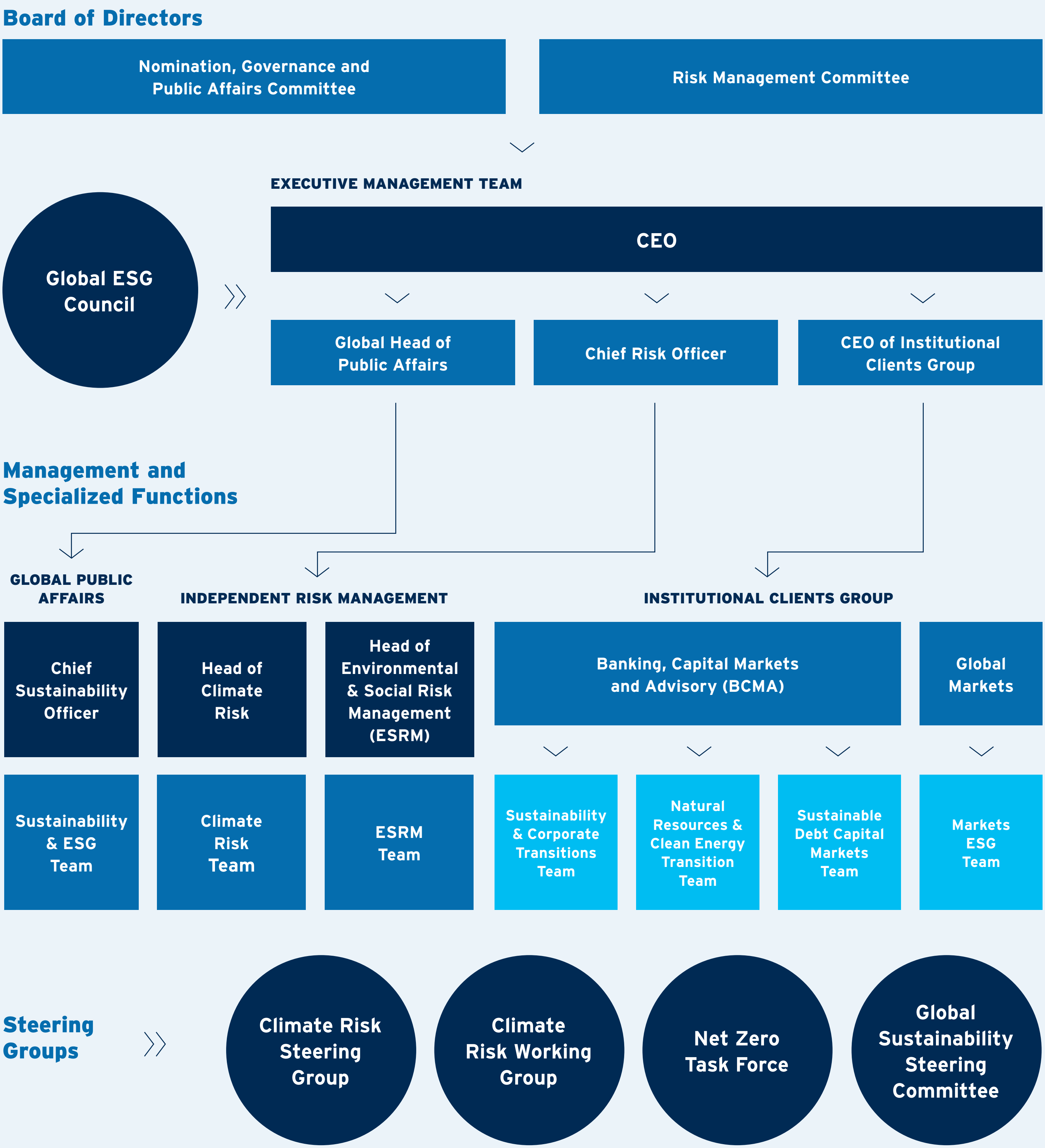
Regulatory Compliance

Interest in climate risk management from regulators continues to grow globally. We are monitoring and responding to emerging regulatory obligations and engaging with regulators around the world about climate risk issues, especially related to risk management, strategy and scenario analysis requirements.

As we anticipate an increase in regulatory requirements, voluntary frameworks and mandated product classifications, we are strengthening our internal regulatory teams with subject matter experts. We are also improving our access to relevant, accurate data to sharpen our scenario analyses and building a standardized, global climate disclosure strategy that can monitor and manage requirements and provide consistent reporting across our operations.

Climate Change Governance

The following climate change governance diagram illustrates our governance structure as of April 2022. For more about Citi's governance related to climate risk, see our 2021 TCFD Report.



EMPLOYEE TRAINING IN CLIMATE RISK

We are working to create a culture of sustainability across our company and raise our colleagues' literacy related to climate risk. In 2021, we created a new training module that covers key climate risk concepts, including the definition of climate risk, emerging climate risk standards, supervisory expectations, an overview of Citi's efforts in this area and our initiatives to enhance climate risk management. Our previous climate risk trainings were customized for specific groups of employees to raise awareness about particular climate-related topics. This new module is our first training for climate that allows us to provide consistent instruction for a broader audience and further support the integration of climate risk considerations into our risk management processes.

Climate Risk in Our Maritime Shipping Portfolio

The Poseidon Principles, released in 2019, provide a framework for lenders, lessors and financial guarantors to integrate climate considerations into lending decisions with international shipping clients, to help the sector decarbonize in line with the goals of the International Maritime Organization (IMO). Citi was a founding signatory and also chairs the Steering Committee of the Poseidon Principles Association, the governing body of the Poseidon Principles.

As a part of our commitment, we provide yearly disclosures, which are published alongside those of other signatories in an annual report published on the Poseidon Principles website. Our most recent disclosure reflects updated data from the IMO's Fourth GHG Study, published in 2020, as well as an improved methodology for estimating carbon emissions and carbon intensity for a variety of vessel types and sizes, resulting in a more accurate representation of vessel emissions and the emissions reduction targets needed for the world's shipping fleet.

Our reported alignment score this year (+11.7%) is notably further out of alignment compared with our reported score of last year (+6%). This change in alignment is due to a combination of factors, including the improved accuracy of the new methodology, as well as significant disruptions in shipping related to the COVID-19 pandemic. The disruptions were most notable in the Cruise segment, which saw dramatic decreases in efficiency (and therefore our alignment scores) driven by reduced cruising activity globally. This was however offset by the improvements in the accuracy of the methodology, resulting in an alignment score of +1.1% for the Cargo segment of Citi's Shipping portfolio only (excluding the Cruise segment). Further changes to the methodology may occur as data and industry practices evolve, and new IMO regulations come into effect.

To further advance progress in the maritime shipping industry, we are a member of the Getting to Zero Coalition, which is focused on the development of commercially viable, zero-emission vessels and other needed maritime infrastructure for scalable net zero-carbon energy sources, including production, distribution, storage and bunkering. The coalition was founded by the Global Maritime Forum, Friends of Ocean Action and the World Economic Forum. It has more than 190 member companies and nine knowledge partners and is supported by key intergovernmental organizations and governments.

Reducing Climate Risk in Our Financing

Climate risk is one of the three pillars of our Sustainable Progress Strategy. When it comes to analyzing and reducing climate risk associated with our clients, we have identified the following three primary focus areas:

- Policy development
- Portfolio analysis and measurement
- Engagement

Policy Development

As part of our work to integrate climate risk into Citi's risk policies and governance frameworks, we have updated our ESRM Policy Sector Approaches for carbon-intensive sectors to incorporate emerging best practices. One area where we have made significant progress is in our fossil fuel Sector Approaches for thermal coal mining and the generation of coal-fired power, which predated our net zero commitment. See the box on the right for more details on our targets and policy.

Portfolio Analysis and Measurement

Citi aims to understand the transition and physical risks that Citi and our clients are exposed to by conducting climate scenario analysis, measuring the GHG emissions associated with our financing portfolio and evaluating portfolio decarbonization pathways. During 2021, we conducted an analysis of our Energy and Power loan portfolios to establish baseline emissions and establish interim 2030 emissions targets as we work toward our net zero commitment. Learn more about this analysis and our targets in the Energy and Power Baseline Emissions and Interim Targets section.

Our Commitment to Reduce Financing for Coal

Thermal Coal Mining

Our ESRM Policy commitments related to coal mining began in 2009, with our first coal mining Sector Approach. Since that time, we have updated our policy, including updates focused on enhanced due diligence and continued reductions in our credit exposure to the coal mining industry. As of 2020, Citi has established a policy prohibition on project-related financing of new thermal coal mines and significant expansions. We have also committed to the following targets to reduce our exposure to companies that derive 25% or more of their revenue from thermal coal mining:

- By the end of 2025: Reduce our credit exposure to these companies by 50% from a 2020 baseline
- After 2025: No longer facilitate capital markets transactions or mergers and acquisition advisory and financing for these companies
- By the end of 2030: Reduce all remaining exposure to these companies to zero

2020 baseline*
$1.091B

Credit exposure as of Dec. 31, 2021
$759M
(30% reduction from baseline)

Coal-Fired Power Generation

Our ESRM Policy commitments related to coal-fired power generation have also been updated over time as the credit and reputation risk related to coal has increased. We have committed to not finance any new coal-fired power plants or expansions of existing plants. Our expectations have increased as we aim to help our clients transition to a future aligned with the Paris Agreement. A comprehensive summary of time-bound milestones for coal-fired power clients through 2040 is available in our Environmental and Social Policy Framework.

In 2021, we reviewed our coal-fired power clients' GHG reporting and low-carbon transition plans, including commitments to retire existing coal plants. Our analysis considered a combination of client disclosures, third-party ESG analysis, CDP disclosures and direct client engagement. Moving forward, this evaluation will be wrapped into our net zero engagement and progress towards our 2030 targets.

* This figure has been updated as one metallurgical coal company was erroneously included in the baseline reported in our 2020 ESG report.

Risk Exposure

During 2021, we updated our climate risk heat-mapping framework to refine our understanding of the sectors we finance that are most sensitive to climate risk. The heat map on the following pages is based on a qualitative assessment of how transition and physical climate risk drivers are expected to impact different sectors. The results of this assessment will help us to prioritize portfolios when further evaluating risks.

Climate Risk Heat-Mapping Framework:
Vulnerability Rubric

Our climate risk heat map (included on the following pages) categorizes sectors under one of four vulnerability scores, ranging from low to high. We have established subscores using the rubric in the following table for various aspects of transition and physical risks.

LOW ← VULNERABILITY SCORE → HIGH

		1	2	3	4
Transition Risks	**Regulatory**	No regulatory/policy changes are expected to meaningfully impact the sector financially such as through asset devaluation, increased expenditure (e.g., compliance costs) and/or loss of revenue	Minor impact to the sector expected from potential regulatory/policy changes (e.g., building efficiency) resulting in financial impact asset devaluation, increased expenditure (e.g., compliance costs) or loss of revenue; impact only on a subset of the sector, subset of geographies and/or only indirect impact	Moderate impact to the sector expected from regulatory/policy changes (e.g., carbon taxes) relating to the sector's carbon intensity; direct impact with noticeable economic implications on the sector through impacted asset valuation, increased expenditure (e.g., compliance costs) and/or revenue loss	Major impact to the sector expected due to expected regulatory/ policy changes relating to the sector's carbon intensity; significant shift expected in the business model or economics of the sector impacting asset valuation, expenditures (e.g., increased compliance costs) and/or revenue
	Technology	Outside of general modernization of technology, no technology shifts are expected for the sector	Minor impact to the sector expected from technology changes (i.e., impact only on a small subset of the sector, or only indirect impact through supply chain) that result in market share loss	Moderate impact to the sector expected from technology changes, resulting in some shift in the economics of some companies in the sector leading to market share loss	Major impact to the sector expected from technology changes, resulting in substitution of a significant portion of existing companies (i.e., market share loss)
	Stakeholder	There is no expectation of stakeholder composition or preferences changing for the industry	Minor stakeholder impact due to expected shift in preferences, with minor financial impact on companies (e.g., revenue, vendor pricing)	Moderate stakeholder impact is expected for the sector in terms of stakeholder preferences and composition, with modest financial impact (e.g., revenue, vendor pricing)	Major stakeholder impact is expected in terms of both client preferences and composition of stakeholders, resulting in significant financial impact (e.g., revenue loss, vendor pricing)
	Legal	No increased litigation concerns are expected to impact the industry that would lead to increased financial burden (e.g., legal fees, settlements)	Minor litigation concerns are expected to impact the sector, with minor financial consequences (e.g., legal fees, settlements)	Moderate litigation concerns are expected to impact the sector, with modest financial impact (e.g., legal fees, settlements)	Major litigation is expected to impact the sector, with significant financial impact (e.g., legal fees, settlements)
Physical Risks	**Acute Hazard**	Acute physical hazards have no impact on the day-to-day operations of companies in the sector	Sector would experience minor impact from acute physical hazards on operations (e.g., revenue loss due to business disruption), or minor damage to assets (e.g., asset devaluation)	Sector would experience moderate and protracted impact from acute physical hazards on operations (e.g., revenue loss due to business disruption), or moderate damage to assets (e.g., asset devaluation)	Sector would experience major and protracted impact from acute physical hazards on operations (e.g., revenue loss due to business disruption), or significant damage to assets (e.g., asset devaluation)
	Chronic Hazard	Chronic physical hazards have no impact on the operations or valuation of assets/ companies in the sector	Chronic physical hazards have minor potential impact on the operations (e.g., increased insurance cost) or valuation of assets/companies in the sector	Sector would experience moderate and sustained impact on the operations (e.g., increased insurance cost) or valuation of assets/companies in the sector	Sector would experience major and irreversible impact on the operations or valuation of assets/ companies in the sector

Climate Risk Heat Map and Credit Exposure

A comprehensive table of our credit exposures is provided below, including a breakdown of identified sectors into subsectors and, for each, the level of risk relating to physical and transition climate risk. By looking at the subsector level, we can further distinguish between the levels of risk within an individual sector. It is important to note that these risks are not expected to manifest in every sector immediately. For this reason, the table on this page and the next should not be interpreted as imminent risks to existing exposures, but rather, exposures we are proactively identifying to focus on, where we will work methodically in the coming years to better understand, analyze and manage our climate risk exposures in these sectors.

LOW 1 2 3 4 **HIGH**

	2020				Climate Risk*	
$ in Millions	**Total $ Exposure**	**% of Total Exposure**	**Funded**	**% of Funded Exposure**	**Transition Risk**	**Physical Risk**
Energy & Commodities**	**49,524**	**6.3%**	**15,086**	**4.4%**		
Integrated Oil & Gas	13,332	1.7%	2,844	0.8%	4	2
Oil & Gas Exploration & Production	13,316	1.7%	4,380	1.3%	4	2
Oil & Gas Storage & Transportation	7,169	0.9%	1,808	0.5%	4	2
Oil & Gas Refining & Marketing	6,976	0.9%	2,632	0.8%	4	2
Oil & Gas Equipment, Services & Drilling	4,914	0.6%	1,082	0.3%	4	2
Other	3,816	0.5%	2,340	0.7%	4	2
Power	**26,916**	**3.4%**	**6,379**	**1.9%**		
Alternative Energy	2,011	0.3%	1,015	0.3%	1	2
Electric Utilities	6,430	0.8%	2,373	0.7%	3	3
Gas Utilities	1,497	0.2%	571	0.2%	3	2
Independent Power Producers & Service Operators	2,449	0.3%	591	0.2%	3	3
Multi-Utilities	12,117	1.5%	1,343	0.4%	3	3
Water Utilities	986	0.1%	134	0.0%	2	3
Other	1,426	0.2%	353	0.1%	3	3
Transportation	**81,567**	**10.4%**	**39,417**	**11.4%**		
Autos	53,874	6.9%	25,310	7.3%	4	1
Automobile Manufacturers	16,939	2.2%	6,690	1.9%	4	1
Auto Parts & Equipment	10,476	1.3%	4,298	1.2%	4	1
Auto-Related Financing, Leasing & Rentals	23,836	3.0%	12,811	3.7%	3	1
Other	2,623	0.3%	1,511	0.4%	4	1
Aviation	10,257	1.3%	5,033	1.5%	3	3
Shipping & Maritime Logistics	9,979	1.3%	6,785	2.0%	3	2
Logistics	7,457	1.0%	2,289	0.7%	3	3
Air Freight & Logistics	1,139	0.1%	329	0.1%	3	3
Rail	1,395	0.2%	273	0.1%	1	2
Trucking	716	0.1%	427	0.1%	3	1
Other***	4,208	0.5%	1,260	0.4%	3	3
Industrials	**65,651**	**8.4%**	**20,705**	**6.0%**		
Building Products & Related	8,162	1.0%	2,453	0.7%	3	1
Capital Goods	42,564	5.4%	12,615	3.7%	3	3
Paper Forest Products & Packaging	7,113	0.9%	3,416	1.0%	3	1
Professional Services	7,812	1.0%	2,220	0.6%	2	1

* Over medium to long term.
** In addition to this exposure, Citi has energy-related exposure within other sectors (for example, mainly energy-related state-owned entities within the public sector). Citi total exposure to these energy-related sectors is approximately $5.8 billion, of which approximately $3.3 billion consisted of direct outstanding funded loans, as of December 31, 2020.
*** Includes Infrastructure, Logistics Not Assigned and Logistics Suppliers.

$ in Millions	2020 Total $ Exposure	% of Total Exposure	Funded	% of Funded Exposure	Climate Risk* Transition Risk	Physical Risk
Metals & Mining	**14,654**	**1.9%**	**6,462**	**1.9%**		
Coal†	592	0.1%	144	0.0%	4	4
Steel	3,526	0.4%	2,017	0.6%	3	2
Aluminum	961	0.1%	710	0.2%	3	2
Stainless Steel	153	0.0%	116	0.0%	3	2
Nonferrous & Ferrous Minerals	2,492	0.3%	1,049	0.3%	3	2
Other††	6,931	0.8%	2,427	0.7%	3	2
Chemicals	**22,356**	**2.8%**	**7,969**	**2.3%**	3	2
Consumer Retail & Health	**117,633**	**15.0%**	**43,467**	**12.6%**		
Agricultural Products	6,723	0.9%	4,215	1.2%	3	3
Beverages	8,889	1.1%	3,566	1.0%	1	3
Food Products	14,373	1.8%	6,752	2.0%	3	2
Tobacco	3,176	0.4%	717	0.2%	1	3
Healthcare Equipment & Services	35,504	4.5%	8,658	2.5%	1	1
Household & Personal Products	9,167	1.2%	3,617	1.1%	2	2
Retail	20,577	2.6%	7,662	2.2%	2	1
Hotels, Restaurants & Leisure	4,951	0.6%	1,997	0.6%	1	2
Other	14,273	1.8%	6,283	1.8%	3	3
Real Estate	**65,392**	**8.3%**	**43,285**	**12.6%**		
Commercial Real Estate	46,232	5.9%	30,070	8.7%	2	3
Residential Real Estate	19,160	2.4%	13,216	3.8%	2	3
Financial Institutions†††	**86,257**	**11.0%**	**35,006**	**10.2%**	3	2
Insurance	**26,576**	**3.4%**	**1,925**	**0.6%**		
Life Insurance	4,923	0.6%	659	0.2%	1	1
Property & Casualty Insurance	13,688	1.7%	1,110	0.3%	2	3
Reinsurance	6,324	0.8%	66	0.0%	2	3
Other	1,640	0.2%	91	0.0%	2	3
Private Bank	**109,397**	**13.9%**	**75,693**	**22.0%**	2	2
Public Sector‡	**26,887**	**3.4%**	**13,599**	**3.9%**	3	3
Tech, Media & Telecom	**82,657**	**10.5%**	**30,880**	**9.0%**		
Media & Entertainment	13,119	1.7%	4,279	1.2%	1	1
Hardware	23,547	3.0%	10,836	3.1%	2	2
Software & Services	22,264	2.8%	5,647	1.6%	1	1
Telecom	21,341	2.7%	8,616	2.5%	1	2
Other	2,386	0.3%	1,503	0.4%	2	2
Other Industries	**9,307**	**1.2%**	**4,545**	**1.3%**	1	1
Total‡‡	**784,774**	**100.0%**	**344,417**	**100.0%**		

* Over medium to long term.
† Based on Citi's Risk Industry Classification, which only captures companies that fully identify as coal companies and excludes diversified mining companies with coal mining. This differs from how Citi defines thermal coal mining companies under its ESRM Policy (those that derive >25% of revenue from thermal coal mining), which broadens the scope of companies covered under the ESRM Policy.
†† Includes Coke, Diversified Metals & Mining, Industrial Minerals, Energy Minerals, Gold, Metals & Mining Not Assigned, Metals & Mining Related, and Uranium.
††† Includes Asset Managers and Funds, Banks, Finance Companies, Financial Markets Infrastructure and Securities Firms.
‡ Certain countries may see high transition and physical risks based on commodities exposure and geographic location.
‡‡ Sums may not match FY2020 10-K due to rounding from increased granularity in industry breakdowns.

Engagement

Engagement with our stakeholders, clients and industry experts helps us to stay current in our understanding of this critical and evolving area of impact, to strengthen our management and analysis of climate risk in our portfolio and to advance progress in this area across industries.

During 2021, we hosted a stakeholder engagement session, facilitated by Ceres, for clients, investors and nongovernmental organizations. Participants provided input on Citi's TCFD disclosures and our approach to setting net zero targets and measuring our baseline emissions. Feedback from that session has been integrated into our 2021 TCFD report and will guide our progress as we continue to develop our net zero plan. See our 2021 TCFD Report for a summary of key takeaways from the session.

To advance progress, we have worked with organizations such as Rocky Mountain Institute's Center for Climate-Aligned Finance. The Center works with financial institutions on identifying 1.5°C-aligned emissions reduction pathways for sectoral portfolio measurement and target-setting and developing credible institutional transition plans. In addition, Citi contributed to the World Economic Forum's *Financing the Transition to a Net-Zero Future* report. The report reflects input from financial institutions and the public sector related to mobilizing investments in breakthrough technologies that will facilitate a more sustainable future.

Our Sustainability & Corporate Transitions team and Natural Resources & Clean Energy Transition team engage with our clients to pursue opportunities and support their efforts to transition to net zero. Learn more in the Financing the Low-Carbon Transition section.

See the Stakeholder Engagement at Citi section for additional examples of our engagement efforts in 2021.

Sustainable Operations

Citi has a history of prioritizing healthy buildings, along with two decades of measuring and reducing our environmental footprint. We are well-positioned to meet the dual challenges of climate change and COVID-19 head on, as we enable sustainable operations and healthy facilities for our customers and employees.

Net Zero Commitment

Citi's commitment to achieve net zero GHG emissions by 2050 includes both our financing and our own operations. For our operations, we are targeting net zero emissions by 2030. This includes GHG emissions related to our owned and leased facilities, employee commuting and business travel, and emissions associated with our supply chain.

During 2021, we undertook a discovery and planning process to develop a strategy for reaching this commitment. This included broad engagement with employees from our Enterprise Operations & Technology group, and analysis to help us define the boundaries of the commitment, understand the potential challenges, and identify short-, medium- and long-term priorities to help us reach our goal.

With the announcement of our commitment to net zero GHG emissions, we broadened our engagement with employees across Citi, including those working in the areas of real estate, technology, supply chain, shared services, travel and facility operations. Our goal was to increase understanding and capabilities across our organization, while also gaining greater insight into the full scope of our GHG emissions. Employees in these groups helped evaluate their own processes to identify and map GHG emissions throughout Citi. We then engaged a third party to help us quantify those emissions. This engagement has set the stage for collaboration as we drive toward net zero in our operations.

As part of our discovery process, we also expanded our GHG inventory. We have been tracking Scope 1, Scope 2 and a portion of Scope 3 GHG emissions related to our own operations for many years. However, this was the first time we included broader Scope 3 emissions related to our supply chain, which is integral to grasping the total impact of our operations.

Due to limitations in data availability and quality, we used spend data and industry emissions factors from the US Environmentally-Extended Input-Output Models as the basis for our GHG inventory. While this approach has its limitations, the insights we have gleaned from this analysis are nonetheless helping us identify priority areas that warrant additional investigation and suppliers we can meaningfully engage with to create the greatest impact. As supplier-specific data becomes available and methodologies improve, we will recalculate our supply chain emissions. The GHG inventory is available in our 2021 Task Force on Climate-related Financial Disclosures (TCFD) report.

We are keenly aware that a balanced approach will be needed to drive emissions reductions for our operations. This might include a reduction in our consumption of supplier goods and services, while also engaging with suppliers to drive process improvements and innovations. We are also working toward our 2025 operational footprint goals (see following page), which aim to reduce GHG emissions and energy consumption for our operations. In addition, we are piloting zero-carbon building requirements for all new Citi buildings, targeting emissions from operations as well as embodied emissions in the materials used to construct the buildings.

See the Climate Risk and Net Zero section for an overview of our commitment to net zero GHG emissions, including as it relates to our financing.

Operational Footprint Goals

We have been measuring our environmental footprint for two decades and began reporting on our direct operational impacts in 2002. This report marks our first disclosure on progress against our fourth generation of operational footprint goals, which we announced in 2020 and aim to achieve by 2025. These goals are aligned with a pathway to limit global temperature rise to 1.5°C and cover GHG emissions, energy use, water consumption, waste reduction and diversion, and sustainable building design.

Because of the ongoing COVID-19 pandemic, our facilities were not used at full capacity in 2021, and our related resource consumption, waste generation and GHG emissions were lower than they otherwise would have been. We recognize that in some cases these impacts were simply moved to employees' homes and other non-Citi facilities. As a result of having fewer people using Citi buildings, our progress for 2021 indicates that we exceeded some of our goals during the year. That trend could briefly reverse in the coming years as our employees continue to return to the office, before progressing again toward meeting our goals.

2025 Operational Footprint Goals

This is the first year we are reporting progress against our 2025 goals. We expect our progress to fluctuate as the number of people occupying our facilities varies during the ongoing COVID-19 pandemic.

In connection with our renewable electricity commitment, Citi is a member of RE100 — a global initiative led by the Climate Group and CDP (formerly the Carbon Disclosure Project), which are both part of the We Mean Business Coalition. In recognition of RE100's requirements, we strive as much as possible to source 100% renewable electricity within the same market boundaries as our consumption.

(MEASURED AGAINST A 2010 BASELINE)

Goals	Progress through 2021
GHG emissions	
45% reduction in location-based GHG emissions	49.8%
Energy	
40% reduction in energy consumption	37.9%
Maintain 100% renewable electricity sourcing	100.0%*
Water	
30% reduction in total water consumption	38.8%
25% of water consumed to come from reclaimed/reused sources	7.0%
Sustainable buildings	
40% of floor area to be LEED, WELL or equivalent certified	34.7%**
Waste	
50% reduction in total waste	55.8%
50% of waste diverted from landfill	22.8%

* 91% meeting RE100 market boundary criteria; 9% sourced from regionally aligned markets.
** 2021 total includes 14 EDGE projects in Latin America.

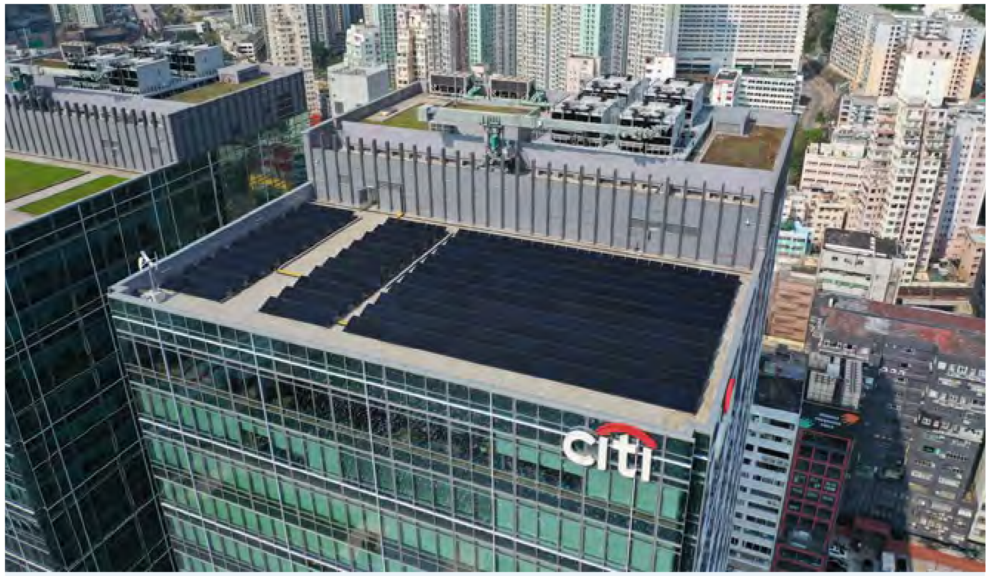
Sustainable Building Principles in Action

Whether undertaking new construction or renovating existing buildings, we prioritize efficiency and sustainability, to minimize the environmental impact of our facilities across the globe. Buildings are responsible for about 40% of global energy use and approximately one-third of GHG emissions.[2] Since our own operations consist largely of buildings, we have developed and are piloting requirements for all new buildings to be zero carbon by 2030, in support of our net zero commitments. These requirements address both operational and embodied carbon emissions, inclusive of energy use, energy supply, integration with utilities and material use.

Citi is currently renovating a facility in Gray, Tennessee, to align with our zero-carbon requirements. The plans for this facility include features to reduce energy use as much as possible and to meet any remaining energy needs with renewable sources. Aligning this building with our zero-carbon building requirements will also benefit the well-being of those using the building. For instance, a tight building seal will improve air quality and thermal comfort for those inside and will also improve energy efficiency.

One of our 2025 goals is to have 40% of our facilities, by floor area, LEED, WELL or equivalent certified. In 2021, we earned certifications for several sustainable building projects in pursuit of this goal:

- **Guatemala (LEED Gold):** Reducing the environmental impact of the interior construction of our offices in Guatemala was instrumental in our ability to achieve LEED Gold for this site. Design features include high-efficiency fixtures and equipment to reduce water consumption by 41.5% and electrical



In 2021, Citi Tower Hong Kong installed our largest on-site renewable energy system to date. This hybrid system generates energy for water heating and electricity. The system includes 360 solar panels, which we estimate will generate over 85,000 kilowatt-hours annually, avoiding 70 metric tons of CO_2 emissions each year. The site also has a small wind turbine.

With the installation of solar panels for two more locations completed in 2021, we now have six bank branches in Mexico with on-site solar generation. These branches receive from 60% to 80% of their electricity needs from on-site solar power, including the branch pictured at right in Mexico City. The six branches have a total of 348 solar panels and a combined capacity of 115 kilowatts when operating at their peak output. In 2021, these sites produced 64,000 kilowatt-hours of electricity.

2. United Nations Environment Programme, "Energy Efficiency for Buildings," page 1, accessed November 2021.

WELL Building Health-Safety Rating

In 2021, as a result of our health and safety practices, we received the International WELL Building Health-Safety Rating for all Citi facilities globally, including offices, operations centers, data centers and retail locations. This seal helps assure our employees and customers that our buildings are safe and healthy environments. The seal is awarded to businesses that meet rigorous scientific standards, maintenance protocols and emergency plans to address concerns related to COVID-19 and other infectious diseases now and into the future.

WELL Portfolio Program

Building on the success of the WELL Health-Safety Rating, Citi joined the WELL Portfolio Program — a benchmarking program for measuring and improving organizational health performance across facilities. The WELL Portfolio Program leverages the strategies of the WELL building standard, the leading health-focused building standard. As a participating organization, Citi will receive an annual portfolio score based on our work to support and enhance the health and well-being of employees and customers who work in and visit our buildings every day.

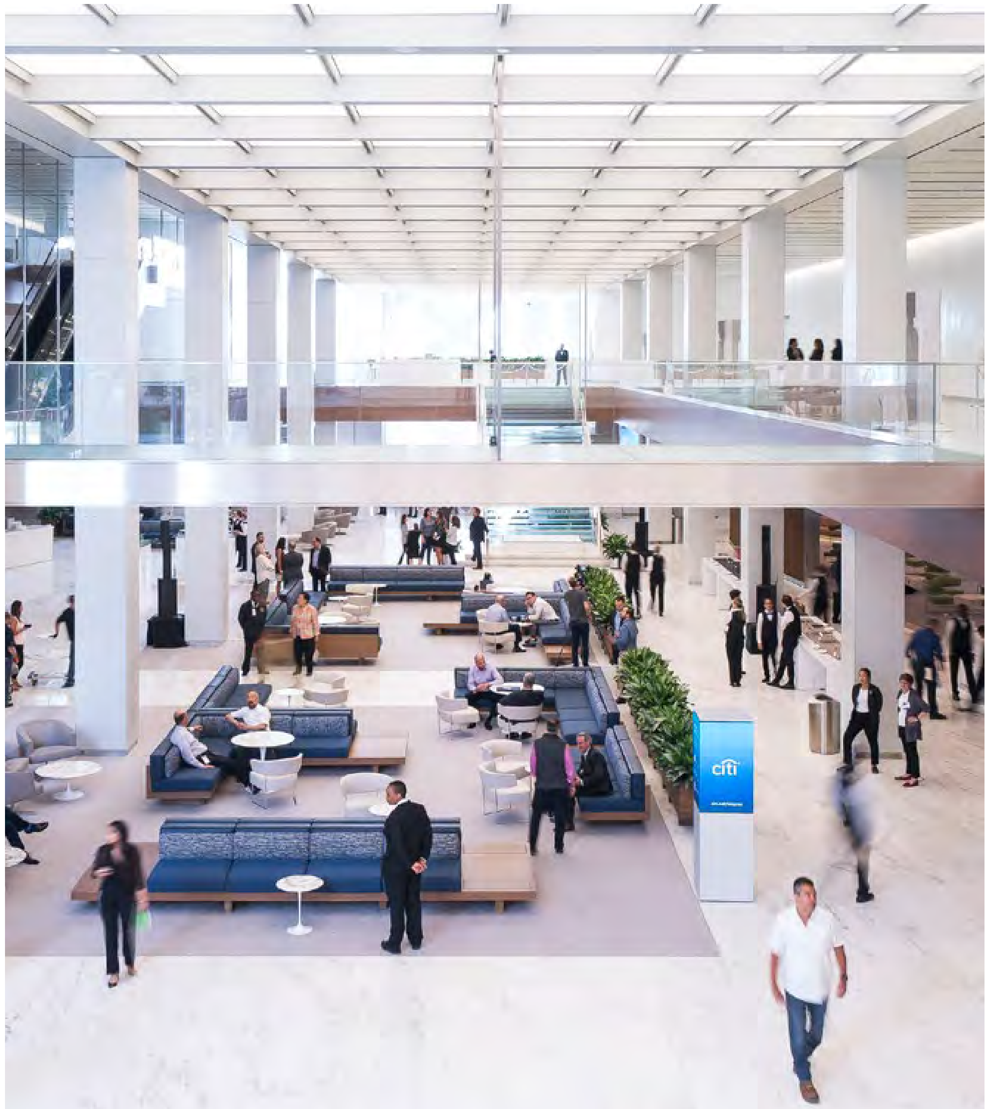
consumption by 15.7%. We also reused 77% of the facility's furniture to reduce waste, and we were able to effectively manage construction-related waste, capping the volume sent to landfill at 31.7 kg/m^2, which is 15% below the industry standard.

- **Paraguay (EDGE Advanced):** We earned our first EDGE Advanced Certification for our Agrovet Offices in Paraguay. The Excellence in Design for Greater Efficiencies (EDGE) certification system evaluates buildings in three resource categories: energy, water and materials. We earned Advanced Certification through the use of features that increase energy efficiency by 63% (mainly related to the building's heating and cooling systems), increase water efficiency by 20% through high-efficiency accessories in restrooms and reduce embodied energy of materials used for interior spaces by 89%.
- **China, Taiwan, United States (LEED Volume Program):** We accomplished LEED v2009 certification for 11 bank branches through the LEED Volume Program and achieved LEED v4 Gold for our fourth retail prototype. All new and renovated bank branches will be LEED Certified based on this model.

We are also planning a significant renovation of Citi Tower in London, headquarters for our Europe, Middle East and Africa region. For this project, which we expect to complete in 2025, we are prioritizing sustainable building principles and employee well-being in alignment with LEED, BREEAM and WELL standards. By renovating the existing building, rather than demolishing it to build a new structure, we will avoid releasing an estimated 100,000 metric tons of embodied carbon, equivalent to 21,748 passenger vehicles driven for one year.[3] We are designing Citi Tower London for energy efficiency from top to bottom, within the constraints of an existing building, and are factoring carbon emissions into our decision-making process. The building will feature rooftop solar panels generating more than 52,000 kilowatt-hours per year annually — enough to power 18 average UK homes[4] for one year. Efficient fixtures will reduce water consumption by 20%[5] and a grey water

3. EPA Greenhouse Gas Equivalencies Calculator.
4. Average electricity UK home 2021 resource, data from OFGEM.
5. Against LEED baseline.

reuse system will help us save an estimated 29.5 cubic meters of water each day, enough to fill 4.3 Olympic pools over the course of a year.[6] During construction, we plan to refurbish and reuse materials on-site to reduce waste and embodied carbon, and we will work to significantly minimize waste sent to landfill.



Employee and Customer Well-Being

For many years, Citi has prioritized the intersection of sustainability and employee well-being. When looking at how our buildings can affect the well-being of our employees, we manage air quality and acoustics, as well as providing ergonomic furniture, opportunities to stay active, healthy food options and a work environment that is both flexible and effective.

As a result of our efforts, we've received WELL Silver certification from the International WELL Building Institute™ for two facilities, one each in Hong Kong and India. Both facilities are going through the WELL recertification process, which is required every three years. We are also working toward WELL certification for our London headquarters renovation. The WELL Building Standard is a system for measuring, certifying and monitoring building features that impact the health and well-being of occupants. In recognition of how important it is to design buildings for employee well-being, we have included WELL certification as an aspect of our sustainable building goal for 2025.

The COVID-19 pandemic further emphasized the importance of employee well-being at our office facilities, in addition to the well-being of our employees and customers within our branches. With this in mind, we have instituted initiatives and protocols aligned with the Centers for Disease Control and Prevention guidelines. These measures include improved ventilation and air treatment systems; signage about effective handwashing; sanitizer stations; enhanced cleaning measures to reduce exposure to pathogens, allergens and harmful chemicals; and rules related to social distancing and masks. In addition, we have installed plexiglass barriers in our branches to provide increased protection for our employees and customers. To further support our colleagues, we are also providing employees with additional physical and mental health resources.

Employee Engagement

Our colleagues contribute to our culture of sustainability through volunteer efforts and awareness campaigns. Despite the challenges a remote working environment posed during 2021, Citi piloted an Earth Day initiative within its global Green Team Network of 18 teams. This initiative encouraged employees to live more sustainably and complete tasks to save water, reduce waste and energy consumption and learn more about climate change.

6. In one year, this equals 10,767.5 cubic meters. Olympic pool size: 2,500 cubic meters. 10,767.5/2,500 = approx. 4.3.

Beyond Earth Day, employees across the company also contribute to sustainability initiatives as a part of their regular work responsibilities. For example, many of our employees have sustainability-related responsibilities as part of their day-to-day work, such as those involved in our climate risk, environmental and social risk management and low-carbon transition efforts.

Efficient Travel Options

Due to COVID-19, employee commuting and business travel has dropped significantly since 2019. For many years, we have encouraged employees to use video and web conferencing technologies rather than traveling, whenever possible. With the onset of the global pandemic, we quickly transitioned the entire company to adopt use of these platforms for their daily interactions. As our employees return to the office, we are relying on the efficiency efforts we had in place before the onset of COVID-19. For instance, many of our offices are centrally located near public transportation, which reduces the need for employees to drive to work, and we provide U.S.-based employees pretax dollars to cover the cost of commuting by subway, bus, train, ferry and vanpool. We also offer bike storage and bike racks at several facilities and sponsor bike share programs, known as the Citi Bike® Program, in New York City, Jersey City and Miami. At our car park in the Citigroup Centre in London, we offer a dozen charging stations for those driving electric vehicles.

Due to our global scale, we often need to meet with clients, partners, teams and other stakeholders across the world. Now that many colleagues across the firm have started traveling again, we are working to build awareness for how business travel impacts our carbon footprint. For example, when employees book travel reservations, they are able to see the emissions data related to their air travel. We plan to include emissions data for rail travel, hotels and rental cars in the future.

Managing Climate Risk in Our Operations

The effects of climate change, particularly extreme weather events, pose a potential risk to our operations. Our Citi Realty Services (CRS) Group and our Crisis Management and Business Continuity teams help us to monitor, prepare for and respond to extreme weather events or other disruptions to our operations. In addition, CRS conducts due diligence for each proposed new location and reassesses the properties' structural resilience periodically, based on risk, as well as following significant events. These assessments take internal Citi standards, as well as local and international codes, into account.

Because Citi operates in nearly 100 countries, our facilities could potentially be exposed to a range of varied climate-related risks. To increase our resiliency, we have invested in climate adaptation solutions in a number of critical facilities. In addition, our crisis management team has developed action plans to address immediate risks and support our employees and customers before, during and after adverse events. Our business continuity team also has plans in place to help Citi resume business operations as quickly as possible in the aftermath of an extreme climate event.

Transparent Reporting of Operational Climate Impacts

Citi reports our Scope 1, Scope 2 and Scope 3 GHG emissions in both this ESG report and in our CDP response. We began reporting on the direct environmental impacts of our operations in 2002 and have submitted data to CDP every year since 2003. We follow the GHG Protocol Corporate Standard and Scope 2 Guidance for measuring and reporting both market-based and location-based Scope 1 and Scope 2 GHG emissions.

We also report Scope 3 CO_2 emissions from air and train business travel in this ESG report, and we report Scope 3 electricity transmission loss and employee commuting data to CDP. In early 2022, Citi received the following scores from CDP related to 2020 data:

- Climate change score: A-
- Supplier engagement score: A

Our GHG emissions and environmental data for our operations and business travel are verified and assured by SGS, a leading third-party inspection, verification, testing and certification company. For our SGS Assurance Statement, see the Assurance section.