

2018



Global Citizenship Report



Citizenship
at Citi



Solutions
for Impact



How We Do
Business



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"We consistently assess Citi's role in response to three questions: What are we doing to help create inclusive and resilient communities? How can we use our voice to help drive dialogue toward solutions? Is Citi walking the talk – are we doing the right things within our own firm? The short answer to all three of these questions continues to be the same: that we can and should do more."

— Michael L. Corbat, CEO



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ABOUT THIS REPORT

This report illustrates how we bring our mission to life through our business; it covers our corporate citizenship activities and performance for 2018. Our reporting focuses on the issues we determined to be of greatest importance through a materiality assessment completed in 2017.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We also used the United Nations (UN) Global Compact and the UN Guiding Principles on Business and Human Rights frameworks to guide our reporting. (See related indexes.)

We have embedded the UN Sustainable Development Goals (SDGs) into relevant sections of the report. Additionally, we include an index that indicates where report content is specifically aligned to the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures. Finally, this report supplements information published in our 2018 Annual Report.

All reporting and performance data are limited to information for the owned and operated facilities of Citigroup Inc. and its subsidiaries, unless stated otherwise. Additional information about Citi can be found on our website. For more information on Citi's citizenship initiatives, please visit citi.com/citizenship or contact:

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Citizenship at Citi

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Letter from Our CEO

One of the questions I'm most frequently asked is:
"What keeps you up at night?"

I have a short list of items I put into this category, some specific to Citi and others that extend beyond our firm. The widening income gap in the U.S. and globally has ranked high on that list for many years, and has risen even higher in recent years as we see new consequences of this fundamental division play out all around us.

One profound implication of the widening income divide is evident in our polarized politics. In so many places around the world, political discourse – though never all that civil in tone – has devolved into little more than a series of "I'm right and you're wrong" shouting matches. Compromise is seen as a sign of weakness, or worse, disloyalty. Not surprisingly, talking over and past each other hasn't led to much effective action being taken to address the root challenges we face as a society.



I worry greatly about this dynamic, and believe there is an opportunity for Citi and others in the private sector to lead a more constructive dialogue and work toward solutions. With that in mind, we consistently assess Citi's role in response to three questions:

- What are we doing to help create inclusive and resilient communities?
- How can we use our voice to help drive dialogue toward solutions?
- Is Citi walking the talk – are we doing the right things within our own firm?

The short answer to all three of these questions continues to be the same: that we can and should do more. Our mission of enabling growth and economic progress will never be complete, but year after year, my colleagues and our firm keep pushing ourselves in the right direction. Internally, we have taken steps to mirror many of the changes we need to make as a society.

In this report, you will find no shortage of big challenges – local, national, regional and global – described in daunting detail. You will also find specific examples of the creative solutions my Citi colleagues are continuously conceiving with our clients and communities to address them. Those challenges range from climate change, to the urgent need for exponentially more infrastructure investment globally, to an affordable housing crisis in the U.S. that has widened even further a gap that disproportionately affects low-income people and families and communities of color. That gap is a primary contributor to the economic inequality I cited above that pervades our society and our politics.

At Citi, we have learned that there are times when we need to take a stand when our values and mission are on the line. We were the first bank to announce a Commercial Firearms Policy in the U.S. that promotes responsible business practices at the point of sale.

We were the first firm to disclose our unadjusted pay gaps between women and men globally, and between minorities and non-minorities in the U.S.

At Citi, we have learned that there are times when we need to take a stand when our values and mission are on the line.

We have also taken the UN Sustainable Development Goals as guideposts and inspirations to continue to do more – as much as we can. We believe we have a role to play across all 17 goals, but can drive the greatest impact on seven: Gender Equality; Affordable and Clean Energy; Decent Work and Economic Growth; Industry Innovation and Infrastructure; Sustainable Cities and Communities; Climate Action and last but not least, Partnerships for the Goals.

The last goal, #17 related to partnerships, is at the heart of everything we do. We know no one person, company, nation, or community can do enough alone. That's why, when we bring others to the table to work with us and start a dialogue, we start to achieve an important goal of our own: leadership.



Michael L. Corbat, CEO



Letter from
Our CEO

Citi at a Glance

Citizenship
Approach



Citi at a Glance

Responsibly provide
financial services

Serve as a
trusted partner

Create
economic value



Supporting clients in more than
160 countries and jurisdictions



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



Diverse workforce of 204,000 to
serve our customers and clients



More than 200 years
of experience



Institutional
Clients Group

Largest proprietary global network
with a client base of **13,000**
and a presence in **98 countries**

Facilitates **~\$4 trillion** of transaction
flows daily

Serves more than **90%** of global
Fortune 500 companies



Global Consumer
Banking

Serving over **110 million** customers

A digital leader in credit cards, retail
banking and wealth management across
19 markets

Growing Commercial Bank that serves
midsized clients with cross-border needs

Citizenship Approach



Executing a business
model that adds
value to society



Reporting transparently
and learning through
dialogue



Taking a stand on
issues that matter
and driving solutions



Maintaining a focus on ethical
decision-making and responsible
business practices



Catalyzing innovation through
strategic philanthropy
and employee engagement

Citi's Value Proposition

A Mission of Enabling Growth and Progress

What You Can Expect from Us and 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 200 years of experience helping our clients meet the world's toughest challenges and embrace its greatest opportunities. We are Citi, the global bank – an institution connecting millions of people across hundreds of countries and cities.

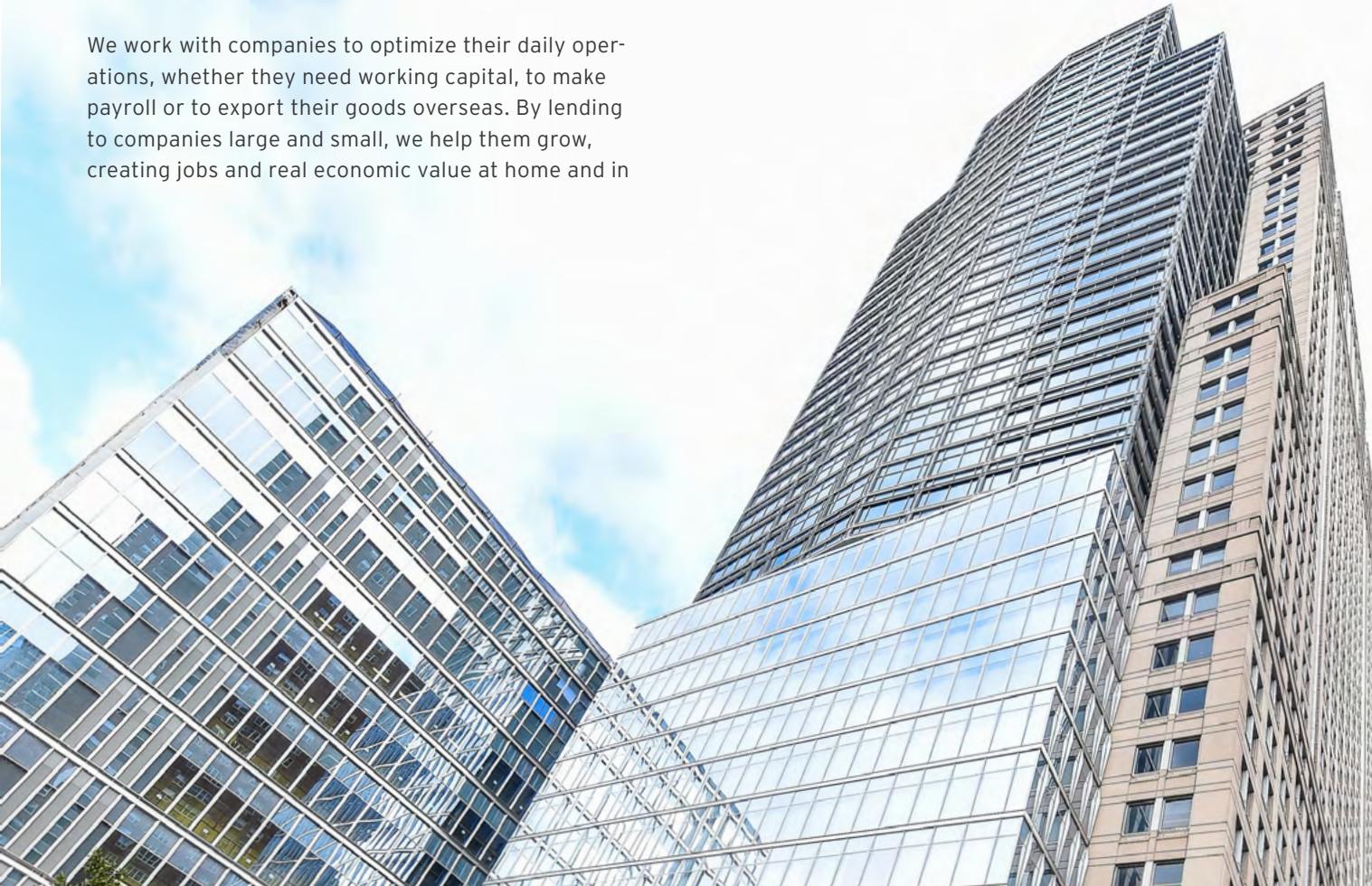
We protect people's savings and help them make the purchases – from everyday transactions to buying a home – that improve the quality of their lives. We advise people on how to invest for future needs, such as their children's education and their own retirement, and help them buy securities such as stocks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

These capabilities create an obligation to act responsibly, do everything possible to create the best outcomes, and prudently manage risk. If we fall short, we will take decisive 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.

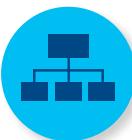




Citizenship Approach

Through our corporate citizenship efforts, we aim to be engaged community problem solvers working to address some of society's greatest challenges, an imperative stated in our mission and an idea that shapes our decisions every day. In this report, we share many individual stories of progress – how as a bank, employer and philanthropist, Citi catalyzes sustainable growth – with a focus not on short-term fixes but on broader systemic changes.

We align many of these efforts with the UN Sustainable Development Goals and the Paris Climate Agreement, and our commitment to engagement, innovation and market-based solutions is unwavering. When we fall short, we learn from the experience; and when we can bring others to the table, we view this as leadership. On the following pages, we outline how we put this approach into action.



Executing a Business Model That Adds Value to Society

Citi's opportunity to scale solutions and increase impact is driven by the products and services we bring to market. Our core businesses, and the financial innovation that is inspired by our drive to serve clients and solve society's greatest challenges, are fundamental to our mission to enable growth and progress. Our relationships with our clients are instrumental, but when we can, we take steps on our own. From investing directly in community land trusts across the U.S. to preserve housing affordability for communities that need it, to issuing our first green bond in early 2019, we continue to challenge ourselves in how we can enable growth and progress.

Despite our progress to date, we know that we have a great deal more work to do, which we note throughout this report as part of our management of our material citizenship issues.



Maintaining a Focus on Ethical Decision-Making and Responsible Business Practices

Ethical business practices are central to the success of the entire financial services sector. We place significant emphasis on understanding, improving and fully integrating ethical and responsible practices in everything we do.

The Ethics and Culture section provides more detail on how we do this – both our successes and where we see need for continued attention and improvement. This will continue to be the foundation of all our citizenship efforts at Citi.



Taking a Stand on Issues That Matter and Driving Solutions

Companies are increasingly expected to leverage their corporate voices to benefit society. Like many of our corporate peers, we have chosen to take a stand on issues that matter to our employees, clients, investors and communities. For example, we have issued statements indicating our continued commitment to the Paris Agreement, our support of immigrants from around the world in the workforce and in our communities, the importance of pay equity, and our commitment to tolerance and racial and ethnic inclusion. Speaking out, however, is often just the first step. Where we can, we actively work to

be part of the solutions to very complex and pressing issues such as global warming and social inequality. We also were the first financial institution to enact a U.S. Commercial Firearms Policy, which is centered around current firearms sales best practices.

Through our engagement efforts with a wide range of stakeholders, as well as through our business-led solutions and our philanthropic activities, we aim to make a positive and meaningful contribution to the problems at hand.



Reporting Transparently and Learning Through Dialogue

To successfully meet the expectations of our stakeholders, especially as the scope and pace of disclosure evolves, we need to both communicate what we are doing and engage in dialogue to understand what more can be done. We are committed to improving not only our reporting efforts but also the way in which we engage stakeholders in all of our activities. By doing so, we increase our involvement in creating solutions to some of the world's most complex and pressing challenges.

This report contains a snapshot of our efforts to increase transparency and knowledge building, and we supplement our annual reporting with articles, reports, surveys, convenings and other relevant perspectives throughout the year.



Catalyzing Innovation Through Strategic Philanthropy and Employee Engagement

Citi and the Citi Foundation support a variety of philanthropic causes and, wherever possible, develop partnerships with community organizations that allow us to catalyze change through innovative and efficient solutions. In 2018, the Citi Foundation provided \$78 million in grants that increase financial inclusion, promote job opportunities for youth and reimagine approaches to building economically vibrant cities. Through Citi businesses around the world, Citi provided \$76 million in charitable giving to causes that align with our mission of enabling growth and progress.

We increase our impact in the community by encouraging our colleagues to lend their time and talent toward volunteer activities that complement our giving. Our signature effort, Global Community Day, engaged more than 100,000 volunteers, including Citi colleagues, alumni, clients, friends and families, in events across 90 countries.

We highlight examples of Citi and Citi Foundation philanthropy throughout this report and provide more detail on how we engage our employees in volunteer activities in the Talent and Diversity section.

► Recognition for Our Corporate Citizenship Efforts

In 2018, Citi was named the World's Best Bank for Corporate Responsibility by *Euromoney* and the Most Innovative Investment Bank for Corporate Social Responsibility by *The Banker*. These awards are great recognition for our ongoing efforts to support the communities in which we live and work.

"Through its internal policies, its public statements on key global issues and the use of its capital and philanthropic dollars to shore up the financial industry and local economies in which it operates, Citi has consistently demonstrated its commitment to work alongside communities and support their growth."

- Euromoney magazine



Citi: World's Best Bank for Corporate Responsibility





Citi's Support for Global Climate-Related Disclosures



Climate change is one of the most critical issues of our time. As detailed in the Intergovernmental Panel on Climate Change (IPCC) special report *Global Warming of 1.5°C*, the impacts and costs of climate change are already affecting many industries and regions globally and are expected to further increase as the world continues to warm. These dire findings were echoed in the *Fourth National Climate Assessment*, published by the U.S. Global Change Research Program. The assessment found that no region of the U.S. will be spared from the costly impacts of climate change, which, if we remain on our current warming trajectory, could potentially cost the U.S. economy upward of \$500 billion per year by the end of the century in crop damage, lost labor and productivity, disruptions to trade and extreme weather damages, while also threatening human health and the well-being of coastal communities.

In recognition of the importance of understanding the risks and opportunities associated with climate change

and managing the potential impacts on the global economy and financial system, the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) released recommendations for voluntary climate disclosures in June 2017. Citi was an early supporter of the TCFD recommendations, and our CEO signed a statement of support for them along with leaders from more than 100 other companies.

Following the launch of the TCFD recommendations, Citi collaborated with 15 other leading banks and the UN Environment Finance Initiative (UNEP FI) on a banking-sector pilot project to implement the recommendations related to climate scenario analysis, including a 2°C or lower scenario. Scenario analysis is a way to test the potential business impacts of future events, such as varying degrees of global warming, based on assumptions regarding policies, technologies, demand and other macroeconomic factors. Considering a variety of climate scenarios allows companies to better assess and plan for the full range of potential risks and opportunities associated with the anticipated impacts of a changing climate.

The pilot project focused on the two main categories of climate-related risks and opportunities: risks associated with the transition to a low-carbon economy (referred to as "transition risks"), such as policy and technology changes that drive shifts in demand and prices; and physical risks that companies face due to changes in the climate, such as chronic changes in precipitation and temperatures, rising sea levels and more frequent and severe extreme weather events.

The pilot group leveraged the expertise of Oliver Wyman, a global management consultancy, as well as the Potsdam Institute for Climate Impact Research (PIK) and the International Institute for Applied Systems Analysis, to develop a methodology and tool to assess potential transition risks and opportunities and obtain climate scenario data. We considered 1.5°C and 2°C scenarios, which are aligned with the ambitions of the Paris Agreement and in which transition risks are expected to be prevalent. Participants in the UNEP FI pilot published their work on assessing transition risks and opportunities in a report titled *Extending Our Horizons* in April 2018.

UNEP FI released a second report, *Navigating a New Climate*, which focuses on assessing physical climate risks and opportunities, in July 2018. Developed in

Summary of Citi's TCFD Banking-Sector Pilot Results

Transition Risk		
Scenario*	Key Assumptions	Impacts – 2030 to 2040**
2°C	Carbon Price: 2030: \$68 2040: \$111 <ul style="list-style-type: none"> Use of fossil fuels continues throughout the century but at a declining rate as they are replaced by renewables Carbon capture and storage is commercial after 2030 Electricity prices increase as growing electric vehicle adoption and electrification of transport increases demand In the short term, oil and gas serve as substitutes as the world transitions from coal, and oil remains an important transport fuel as transport demand grows 	<p>Utilities (U.S.)</p> <ul style="list-style-type: none"> Regulated low-carbon utilities: no change to 1 notch downgrade Regulated heavy-carbon utilities: 1-2 notch downgrade Unregulated low-carbon utilities: 1-2 notch downgrade Unregulated heavy-carbon utilities: 2-3 notch downgrade <p>Oil & Gas Exploration & Production (U.S. and Canada)</p> <ul style="list-style-type: none"> Offshore: no change Shale and non-conventional: no change Conventional: no change
1.5°C	Same Assumptions, but Higher Carbon Price: 2030: \$117 2040: \$190	<p>Oil & Gas Exploration & Production (U.S. and Canada)</p> <ul style="list-style-type: none"> Offshore: 1-2 notch downgrade Shale and non-conventional: 1-2 notch downgrade Conventional: no change

Physical Risk		
Scenario	Impacts – 2040	
2°C	<p>Utilities</p> <ul style="list-style-type: none"> Production declines 9.5-15.1% with an average decline of 11% by 2040, driven primarily by incremental (chronic) climate change Half of companies have 1 notch downgrade due to productivity decline 	
4°C	<p>Utilities</p> <ul style="list-style-type: none"> Production declines 10.7-15.1% with an average decline of 13.2% by 2040, driven primarily by incremental (chronic) climate change Half of companies have 1 notch downgrade due to productivity decline 	

* Citi used the assumptions and outputs of the "REMIND CD-LINKS" scenarios developed by PIK.

** Ratings refer to Citi's internal credit ratings.

consultation with Acclimatise, a UK-based advisory and analytics company specializing in climate change adaptation and risk management, the physical risk methodology considers how the physical impacts from incremental climate change and extreme weather events may affect key credit risk metrics. Because physical climate risks increase as global temperatures rise, the 2°C scenario and a business-as-usual scenario of 4°C were used to analyze the potential physical risks.

In addition to contributing to both UNEP FI reports, Citi piloted the methodologies and tools developed in the pilot project on parts of our lending portfolios where climate risks are expected to be most material. We tested the transition risk methodology on our U.S. utilities and U.S. and Canada oil and gas exploration and production portfolios using the assumptions and outputs of the "REMIND CD-LINKS" scenarios developed by PIK. We piloted the physical risk methodology on our U.S. utilities portfolio



using data from scientific studies of climate and potential climate impacts under a 2°C scenario that corresponded to IPCC Representative Concentration Pathway (RCP) 2.6 and a 4°C scenario corresponding to IPCC RCP 8.5. Following our climate scenario analyses, we published the results in our first TCFD report, *Finance for a Climate-Resilient Future*.

The pilot provided us with valuable experience and a better understanding of how climate change can potentially impact key portfolios while raising a number of difficult challenges associated with conducting climate scenario analysis. We highlighted our findings and the challenges we faced, along with ideas for how the analysis can be improved, in our TCFD report.

Overall, our pilot scenario analyses found that the climate risks to our clients may vary depending on their cost structure and ability to pass on costs to their customers. The risks to Citi associated with our lending portfolios, however, will be limited and manageable in 2030 and 2040, given the relatively short tenor of our loans (3-5 years) and our ability to restructure loans when they come due, compared with the longer time frame of climate impacts. But based on the scenarios and scenario assumptions we used, expected impacts will likely become more severe over time as carbon prices increase and fossil fuel use decreases under climate transition scenarios and as physical risks intensify due to increased emissions and warming over the century. The IPCC report warned that the world is warming much faster than previously expected, making it ever more imperative to take action today, while there is still time to limit the warming trend and counter its effects.

Addressing global warming and managing climate risks is both smart and beneficial for the economy. Not only will it prevent unnecessary harm in the future, it also creates profitable opportunities for businesses in numerous sectors. In this Global Citizenship Report, we outline how we manage climate-related opportunities and mitigate climate risk through our business. We also address our efforts to reduce greenhouse gas (GHG) emissions to minimize our environmental impacts and enhance the resilience of our operations. These activities are built upon strong governance for climate change, with oversight from both the Board and senior management.

Our participation in the UNEP FI pilot and our resulting TCFD report are an important part of Citi's commitment to transparency and to strategic management of our risks and opportunities. We also continue to highlight relevant climate disclosures in this report and include an index where related content can be found throughout the report. The pilot project is just the beginning of our journey to incorporate climate analysis into our strategy and reporting and to deepen our understanding of climate-related risks and opportunities. We are looking to build upon the efforts of our first climate scenario analysis and climate disclosure report and are evaluating different approaches to further assess how global warming will affect our business. We are engaging a range of stakeholders, including investors, to determine the best path forward as we further implement the TCFD recommendations.

In addition to our TCFD efforts for our lending portfolio, we are also working to implement the TCFD recommendations at Afore Citibanamex, Mexico's second-largest pension fund, which manages retirement assets for more than 11 million employees in Mexico. We take the financial well-being of our clients very seriously and, as responsible fiduciaries that invest for the long term, incorporating environmental, social and governance (ESG) factors into our investment process is fundamental. Climate risks are not yet well understood, but are already impacting companies in many sectors and even the fiscal health of governments. These risks can also potentially threaten future returns, which our clients rely on for a secure financial future. To deepen our understanding of climate risks, we have joined the UNEP FI Investor Pilot Project to implement the TCFD recommendations and are in the process of analyzing how transition and physical risks may impact the companies and investments in our investment portfolio. To encourage the transition to a low-carbon economy, we plan to engage portfolio companies about climate action and will also assess other actions we can take to improve the resiliency of our portfolio.

The TCFD Index highlights where related content can be found throughout this report.

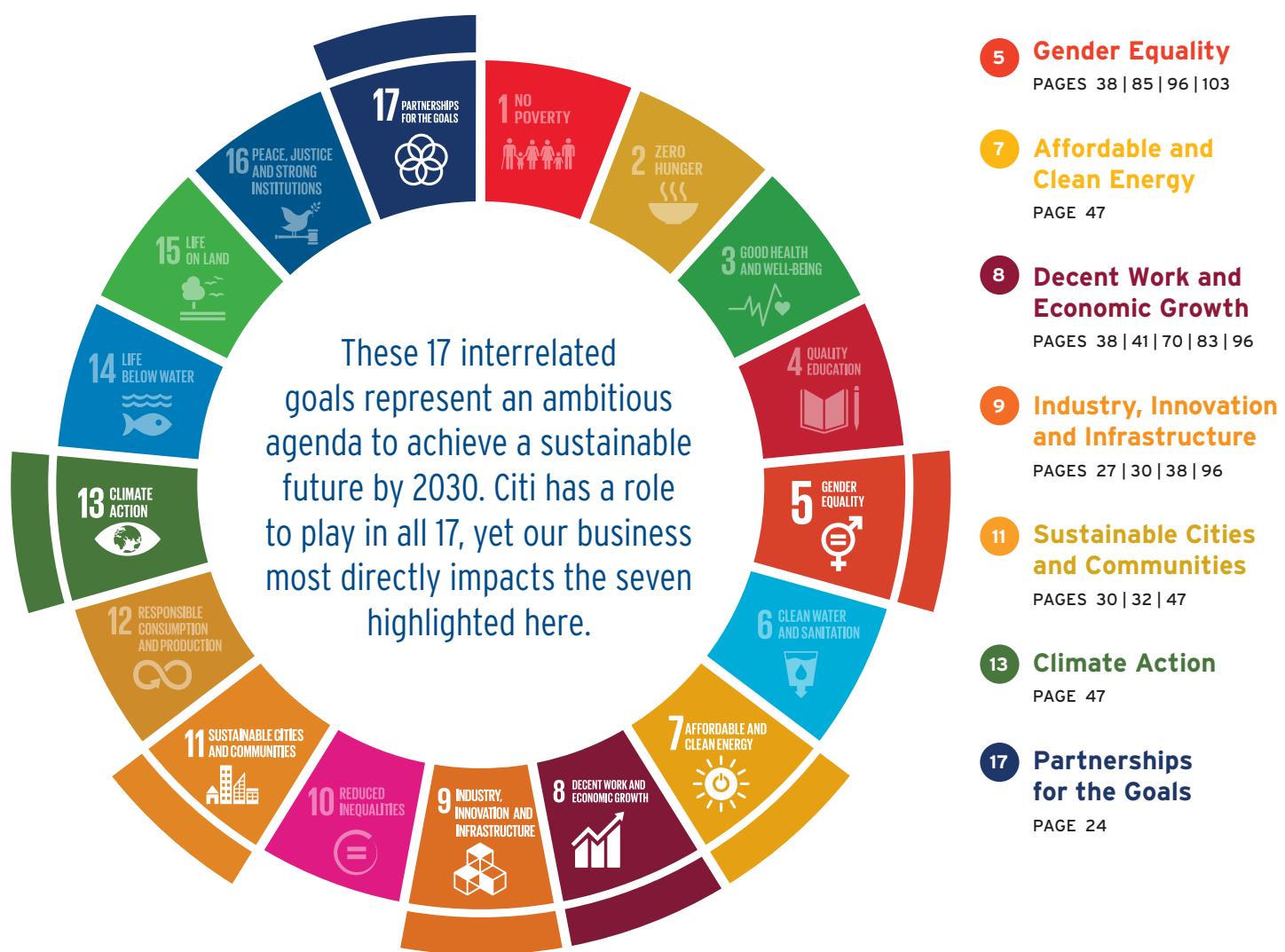
Citi and the Sustainable Development Goals

Given our global footprint and our role in financing economies around the world, Citi has an important role to play in helping to finance the UN Sustainable Development Goals (SDGs) and the estimated \$5 trillion to \$7 trillion annual global development need.¹ The SDGs are a core part of the UN's 2030 Agenda for Sustainable Development.

Since 2016, Citi has been reporting on how our activities relate to the SDGs, including in our annual Global Citizenship Report and in a standalone report published in 2017. Throughout this 2018 Global Citizenship Report, we have made an effort to indicate

where information is relevant to action on the SDGs. While our work and the content of this report cover many SDGs, we have identified seven goals on which we can have the greatest impact.

Citi Global Perspectives & Solutions (Citi GPS), our premiere thought leadership product designed to help navigate the economy's most demanding challenges, uses the SDGs among other global reference points to inform strategic insight on topics such as single-use plastics and the transition to more responsible production and consumption of plastics and other packaging materials. We also released a report in 2018 that aimed to simplify the SDGs and identify the incremental financial costs and opportunities of achieving the individual goals and the human benefit that might be gained by solving them.



¹ United Nations Conference on Trade and Development, *World Investment Report 2014: Investing in the SDGs – An Action Plan* (April 2014), page xi, http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf.



Citizenship 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 results with accuracy and transparency and maintaining full compliance 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 and promote a culture of accountability and ethical conduct across our firm. Information about Citi's corporate governance is publicly available on our [website](#).

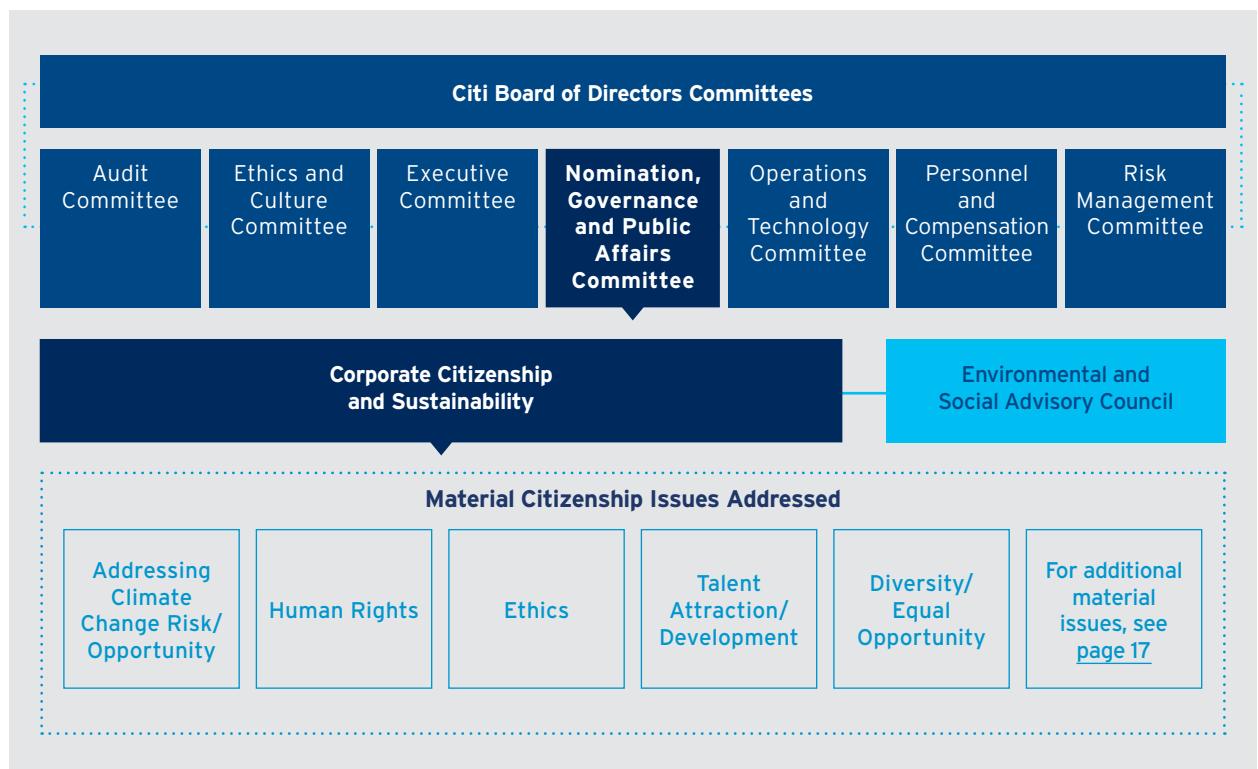
Our Board of Directors aims to have at least two-thirds of its members as independent directors. Currently, 87 percent of the Board is independent.

Additionally, the Chair of the Board is a non-executive independent director. The standing committees of our Board of Directors are:

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

All Board committees play a 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 oversees Citi's global citizenship and sustainability activities and performance. Our Ethics and Culture Committee reflects our commitment to promote a strong culture of ethical conduct. To review the responsibilities of each of the committees of our Board of Directors, see our [Board charters](#).

Citizenship Governance



Citizenship and Sustainability Governance

As noted previously, the Nomination, Governance and Public Affairs Committee of the Board of Directors oversees our citizenship activities. This committee's responsibilities include reviewing our policies and programs for sustainability, climate change, human rights and other material citizenship issues, as well as advising on engagement with external stakeholders. For more information on the roles and responsibilities of the committee, download the [Nomination, Governance and Public Affairs Committee charter](#).

At the senior executive level, corporate citizenship at Citi is led by the Head of Corporate Citizenship and President of the Citi Foundation, who provides progress reports to the Nomination, Governance and Public Affairs Committee at least annually on issues, trends and results pertaining to some of the company's most important citizenship and sustainability issues. She also collaborates with a range of senior leaders to enable the development and implementation of goals and programs that generate a positive impact on society.

Citi's Corporate Sustainability team, which reports to the Head of Corporate Citizenship, works in partnership with our businesses to lead and implement our ambitious Sustainable Progress Strategy globally, as well as our efforts to ensure that the human rights of our employees, suppliers and those affected by the projects we finance are respected. Citi has an Environmental and Social Advisory Council that provides guidance on environmental and social issues related to global business activities, including advising on the Sustainable Progress Strategy. The council is chaired by senior executives in our Institutional Clients Group and includes executives

from Banking, Risk, Public Affairs, Operations, Corporate Sustainability, and Environmental and Social Risk Management (ESRM). Council meetings are held approximately three times annually. Citi's ESRM Policy is managed by the ESRM team, which works closely with ESRM specialists in the business and with regional ESRM Champions. Within Operations and Technology, our Corporate Realty Services and Enterprise Supply Chain teams each have specialized sustainability groups that manage our environmental footprint and green building goals and oversee supply chain sustainability. These specialized teams sit within their respective business units, ensuring ownership of sustainability goals throughout the company.

Ethics and Business Practices

Ethics and responsible business practices are among the most material citizenship issues for Citi and our stakeholders. The Ethics 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 and Culture Committee charter](#). You can also learn more about efforts to encourage a culture of ethics in the [Ethics and Culture section of this report](#).

Among its responsibilities, the 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. To learn more about the responsibilities of this committee, download the [Risk Management Committee charter](#).



Our Material Issues: Citi in a Global Context

We conduct periodic and comprehensive materiality assessments to identify our most relevant (or “material”) reporting topics from a corporate citizenship perspective – which is a broader standard than those used in our financial disclosures. These citizenship topics, which we refer to as “material issues” throughout this report, help inform which issues we communicate here, which issues we consider raising to our Board, and how we establish our citizenship priorities. Our most recent materiality assessment was completed in late 2017. That assessment included feedback through an online

quantitative survey of more than 200 global external stakeholders and over 500 Citi managing directors. It also included a review of the environmental, social and governance (ESG) attributes used by rating and ranking agencies and a focus on how these issues will play out between now and 2030.

A key insight underscored by our materiality process is the interconnectedness among material issues, such as acting in our clients' best interests, systemic risk, climate change and talent attraction and development. Our core business must address these issues holistically, and our citizenship approach must enable the business to address the risks and opportunities presented by the material issues.

● GRI 102-43, GRI 102-46, GRI 102-47

Citi's Material Issues

	Addressing Climate Change Risk/Opportunity	Transparency	Data Security/Privacy	Ethics	
Importance to Stakeholders	Financial Inclusion/Access	Products/Services with Environmental/Social Benefit	Human Rights	Systemic Risk	Acting in Clients' Best Interest
	Environmental Footprint	Health/Well-Being of Employees	Corporate Governance	Employee Risk Behavior	Customer Satisfaction
	Responsible Supply Chain/Operations	Partnerships with Civil Society/Government	Talent Attraction/Development	Diversity/Equal Opportunity	Innovation/Digitization
	Preparing Youth for the Future Economy	Strategic Philanthropy	Regulatory Reform		

Stakeholder Engagement at Citi

One of the most important ways we fulfill our mission to be a trusted partner to our clients is by engaging with a wide array of stakeholders to gain their input and insights and share our expertise and perspectives. Our 2017 materiality assessment was an important step in identifying and addressing the most relevant issues, but we undertake many more forms of stakeholder engagement throughout the year across our business.

Annually, we review our relationships to identify any gaps and to consider potential new partners that would be valuable stakeholders for the company and inform

our citizenship approach. This analysis happens across various functions; the Citizenship and Sustainability teams, Public Affairs, Government Affairs, Investor Relations, Human Resources, Corporate Governance and other teams across the business review their stakeholder partnerships regularly, as does the Citi Foundation. For example, the Citizenship team works closely with Diversity, Recruiting and other units to look at partnerships across functions that relate to Citi's diversity priorities.

For more information on our recent stakeholder engagement efforts, please see the table on the next page.

- GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44



Citi Affinity group senior executive co-leads hosting a town hall.



Stakeholder Engagement

Stakeholder Group	How We Engage	Examples from 2018
Investors	<ul style="list-style-type: none"> 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 Investor Relations and Corporate Governance teams 	<ul style="list-style-type: none"> Completed dialogue sessions focused on ESG, including sustainability and human capital management, with institutional investors representing over 31 percent of Citi's outstanding common stock Citi senior executives presented at a number of industry conferences for investors and peers Members of the Board and senior management conducted meetings and calls with investors for input on a variety of governance and compensation matters
Government and Regulators	<ul style="list-style-type: none"> In-person meetings, conference calls, lobbying activities, industry associations, public policy forums, press conferences, conferences and convenings Membership on government councils and committees 	<ul style="list-style-type: none"> Citi's CEO participated in 56 meetings with regulators, central bankers and government officials from the U.S. and other countries, in addition to regular bank supervisory meetings Participated on the Consumer Financial Protection Bureau's Advisory Board Hosted forums with mayors around the world to discuss development, inclusion and climate change issues Participated in the Federal Reserve Bank of New York's conference exploring progress and challenges in reforming culture and behavior in the financial services industry
Suppliers	<ul style="list-style-type: none"> In-person meetings, calls, conferences and workshops Corporate Responsibility Questionnaire to help assess management of ESG issues 	<ul style="list-style-type: none"> Co-hosted events with NGOs and industry organizations and participated on panels to provide educational content to diverse suppliers Hosted multiple events to create opportunities to engage with diverse suppliers, including the Supplier Expo, the Chief Procurement Officer Summit and the National Minority Supplier Development Council's Corporate Plus Summit
Community Leaders and Nongovernmental Organizations (NGOs)	<ul style="list-style-type: none"> In-person meetings, calls, conference calls, emails, social media and events Specialized websites, including for the Citi Foundation and Citi Community Development Collaboration with NGOs on issues relevant to their organizations and our business 	<ul style="list-style-type: none"> Served on the Board of the UN Global Compact's U.S. Network Served as co-chair of UNEP FI's Global Steering Committee Engaged community leaders and NGOs at Citi Foundation events, including Pathways to Progress, Community Progress Makers and Financing Sustainable Cities Initiative gatherings

Stakeholder Group	How We Engage	Examples from 2018
Employees	<ul style="list-style-type: none"> • Company intranet, email, mail and in-person meetings • Voice of the Employee surveys • Employee Networks, volunteer councils and Green Teams • Community events • In-person and online training • Performance reviews • Citi Blog 	<ul style="list-style-type: none"> • 100,000 employees, friends and families participated in Citi's annual day of service events held in more than 450 cities across 90 countries • Approximately 23,000 employees participated in more than 170 Employee Network chapters, and more than 1,800 participated in 21 Green Teams globally • More than 194,000 employees completed compliance training, including on anti-money laundering, sanctions and anti-bribery topics • Featured stories on Citi's intranet and in blogs from Citi senior executives, employees and partners highlighting how we enable growth and progress • Established the Global Sustainability Network, made up of employees from across Citi whose work connects with sustainability and who contribute to Citi's Sustainable Progress Strategy
Clients and Customers	<ul style="list-style-type: none"> • Meetings to share Citi's environmental and social performance and to understand our clients' approach to managing environmental and social risks • Social media, including Customer Service Twitter handle (@AskCiti) • Customer satisfaction surveys • Citi Blog 	<ul style="list-style-type: none"> • Engaged Citi mobile customers in a co-creation effort to identify digital banking challenges that our mobile app could potentially help solve • Citi's CEO held an average of 40 client meetings per month in cities around the world
Other Financial Institutions	<ul style="list-style-type: none"> • Working groups • Joint projects • In-person meetings, conference calls • Industry groups, roundtables, workshops and events 	<ul style="list-style-type: none"> • Worked on implementing the Financial Stability Board's TCFD recommendations with UNEP FI and 15 other banks • Member of the Equator Principles Association since 2004, along with 91 other financial institutions in 37 countries • Founding member of the Diversity Project North America, a National Investment Company Service Association initiative to promote diversity in the asset management industry • One of 30 financial institutions to sign the Mansion House Declaration as part of United for Wildlife's Financial Taskforce to tackle wildlife crimes • Member of the Banking Standards Board in the UK, supporting its independent role to help rebuild trust and confidence across the UK banking industry

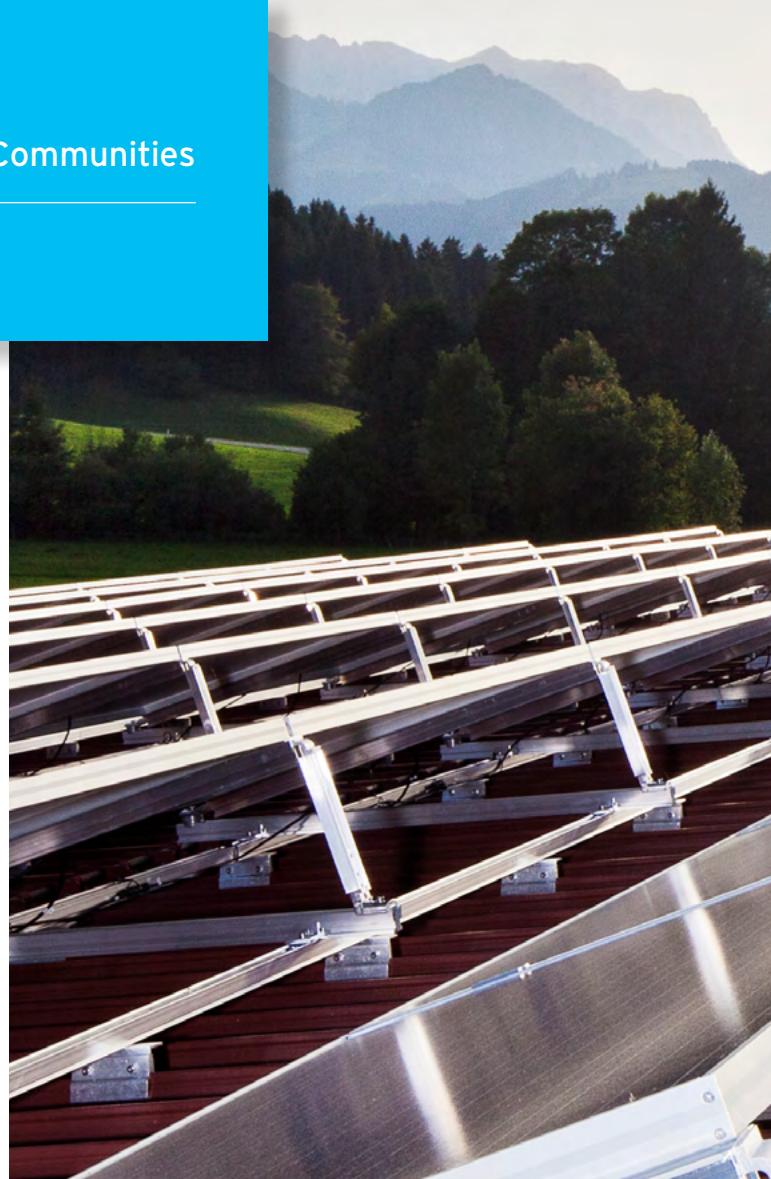


Solutions for Impact

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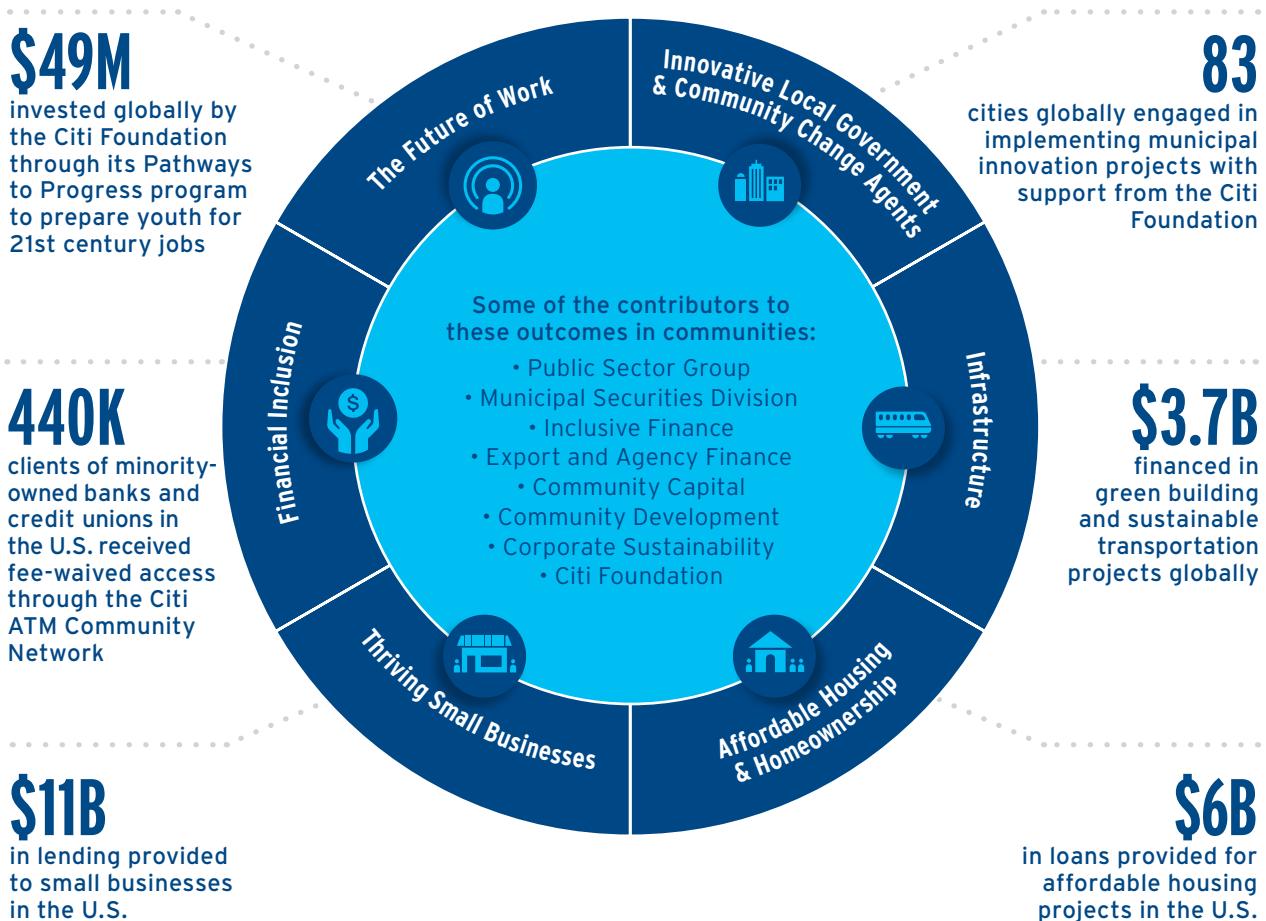


Inclusive and Resilient Communities

Citi and the Citi Foundation take action to effect positive and meaningful change in our communities, often working in tandem to increase our overall impact. From our focus on infrastructure to affordable housing, from jobs to financial inclusion, we are helping to build more inclusive and resilient communities.

Catalyzing Inclusive and Resilient Communities

Citi and the Citi Foundation focus our efforts in six primary areas, with the following overarching impacts and results in 2018.



This section of the report is by no means a comprehensive collection of our efforts but rather a sample of highlights to demonstrate how we deploy our products, people and financial resources to solve problems in our communities, promote economic mobility and create economies in which households at all income levels have the opportunity to succeed. A range of Citi businesses and units contributes to the efforts highlighted throughout this section, including the following:

- **Citi Public Sector Group** globally and **Municipal Securities Division** in the U.S. provide products and services to national and local governments, central banks and other public-sector institutions that enable countries and communities to operate.
- **Citi Export and Agency Finance** collaborates with export credit agencies, multilateral agencies and development finance institutions to help expand their reach in both developed and emerging markets.
- **Citi Community Capital**, our community development lending and investing group, provides financial products to help affordable housing developers construct, rehabilitate, refinance and acquire affordable multi-family housing across the U.S.
- **Citi Inclusive Finance** works across Citi businesses globally to develop solutions that enable us, our clients and our partners to expand access to financial services and advance economic progress in underserved market segments.
- **Citi Corporate Sustainability** partners with colleagues across Citi businesses to encourage and enable solutions that contribute to sustainable growth around the world.
- **Citi Community Development** forges innovative partnerships with nonprofits and public agencies across the U.S. to expand access to financial products and services and build sustainable business solutions.

In addition, the **Citi Foundation**, a private foundation funded by Citi, provides philanthropic grants to community organizations around the world for efforts that increase financial inclusion, catalyze job opportunities for youth and reimagine approaches to building economically vibrant cities.



Participants at a Citi Foundation Community Progress Makers convening in Miami.

Underlying our approach is the notion that no single institution can address system challenges by working in a silo. We rely on a variety of partnerships – with clients, governments, NGOs, academic institutions, and companies ranging from startups to large, multinational corporations – to succeed. These partnerships highlight how our work contributes directly to **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 sufficient financing is available to achieve the SDGs.



SDG Goal 17: Partnerships for the Goals

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Innovative Local Government and Community Change Agents

As national socioeconomic agendas around the world are increasingly politicized, local governments and community organizations are playing a bigger role as change agents, leading on a wide array of issues, including infrastructure, employment, housing and financial health. Moreover, these entities often do so while facing significant budget and resource constraints. A core pillar of our efforts to invest in local communities is to collaborate with – and provide financial solutions to – local governments and community organizations.

Public-Sector and Institutional Funding

We provide a broad range of banking and financial products and services, advice and support to public-sector clients, such as government agencies, central banks, development organizations, NGOs and academic institutions, to enable them to more effectively provide critical services to local communities.

In West Africa, for example, where we are a bank to other financial institutions in a number of countries, we are expanding our focus on public-sector institutions. Governments in the region, which have aggressive development plans amid fast economic growth, require financing to meet their objectives. In Côte d'Ivoire, Citi has had a presence since 1975, with only a brief hiatus during 2010 and 2011 in the wake of post-electoral conflict. Since then, Citi has been working with government and banking authorities to help restore the country's financial system. Our expansion

► Stimulating International Trade

Historically, international trade has been seen as a driver of growth, and 2018 witnessed a shift in how trade is conducted. Our role is to continue to facilitate efficient trade while helping clients prepare for and adapt to changing policy frameworks. In emerging markets, Citi looks for opportunities to stimulate international trade growth, helping clients identify favorable market conditions in order to "de-dollarize" debt – in other words, convert supranational hard-currency loans to local currency debt, thereby mitigating foreign exchange risk and promoting the development of swap markets in the country.

In 2018, Citi and the International Finance Corporation (IFC), a member of the World Bank, announced the signing of a \$1.2 billion risk-sharing facility to support emerging market trade flows. The initiative will work in partnership with global and regional banks with the goal of expanding the availability of trade at a time of reported global scarcity.

The signing marks the extension of an existing facility under the IFC's Global Trade Liquidity Program, first launched by the IFC and Citi in 2009. Since then, these collaborative efforts have financed a total trade volume of \$29 billion, with around \$11.1 billion in low-income and lower-middle-income countries and another \$4.5 billion in countries categorized by the World Bank as among the poorest. The longstanding partnership has facilitated financing for 4,092 trade transactions through 163 banks in 46 emerging countries, of which 25 are low- or lower-middle-income countries.



into public-sector finance in West Africa – including in Senegal, Cameroon, Gabon and the Democratic Republic of Congo – will help support education, health, security and an estimated \$130 billion to \$170 billion in needed infrastructure spending.

Our services to the public sector recently earned us recognition as the Most Innovative Investment Bank for Sovereigns, Supranationals and Agencies (SSAs) from *The Banker*, which cited Citi's work helping SSAs with new technologies such as artificial intelligence, big data analytics and blockchain.

Innovative Financing

Many investors are looking for returns beyond profit, and Citi offers products that deliver on this intent. Thematic bonds – such as green, social and sustainability bonds – provide a way for investors to see yields

while also contributing to positive environmental and social solutions. Thematic bonds continue to evolve to address changing needs and issues, and Citi works closely with clients and partners on new products.

For example, catastrophe bonds are a prefunded mechanism to provide a government immediate liquidity after a natural disaster, helping kick-start recovery efforts, stave off a downward financial spiral and build resilience. In September 2018, we underwrote a \$1.36 billion catastrophe bond for four Latin American countries. The proceeds from the sale to investors are held at the World Bank as collateralized insurance. If an earthquake were to strike, the funds would get released to the sponsoring government(s) to finance relief, recovery and budgetary support.

The bond issuance was the largest earthquake catastrophe bond and sovereign catastrophe bond to date. For Citi, a deal of this type demonstrates the

➤ Service Design for and with Low-Income New Yorkers

Service design is an emerging field that works to actively engage all stakeholders of a service – especially beneficiaries – to better understand every aspect of how a service is administered to improve its delivery and impact. Think of it as a people-centered approach that takes into account how services are delivered in a more holistic fashion.

In October 2017, the New York City Mayor's Office for Economic Opportunity, the Mayor's Fund to Advance New York City and Citi launched the nation's first-ever municipal Service Design Studio and toolkit dedicated to making public services for lower-income New Yorkers as effective and accessible as possible. The studio launch built on several years of work with the city of New York to explore the use of service design to improve services that meet the needs of its most vulnerable residents, from free tax preparation to financial coaching, through the [Designing for Financial Empowerment](#) initiative.

The [Service Design Studio](#) at the Mayor's Office for Economic Opportunity and its accompanying toolkit, NYC Civic Service Design Tools + Tactics, provide a central resource for expertise and best practices in service design to support public servants in New York City. The service design approach incorporates ethnographic field research,

behavioral science, economics, information technology, design and other related disciplines. The Service Design Studio is available to all New York City government agencies, providing a valuable resource to test and scale innovative public service improvements for low-income New Yorkers.

In its first year, the Service Design Studio reached more than 600 government employees from more than 40 city agencies through 13 workshops, five civic design forums and 125 office hours. The Studio also selected the Administration for Children's Services' proposal for the yearlong Pathways to Prevention project to put families at the center of child welfare preventative services. In 2018, the Studio received awards for innovation by design and government creativity from *Fast Company* and Adobe.

Meanwhile, the city of Oakland, Calif., launched an official service design program in early 2018 with assistance from Citi. Oakland upgraded a website on which renters can question increases in rent that they consider to be unlawful. The city is also developing programs that will connect young people with summer jobs and is partnering with Citi on a financial empowerment program for low-to moderate-income mothers and their families, especially women of color.

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breadth and depth of our relationships – connecting governments, the World Bank, investors and the insurance industry to achieve a landmark transaction.

To learn more about Citi's efforts to promote the growth of other thematic bonds, including green and sustainability bonds, visit the [Environmental Finance section](#).

Philanthropic Efforts

Around the world, NGOs make valuable contributions to addressing difficult social problems. But they need funding and other resources to amplify the impact of their work or to pursue as-yet-unproven solutions that can be tested and later brought to scale. This is often where Citi and the Citi Foundation can play an effective role. Moreover, by helping city leaders develop technology-driven solutions to urban challenges, our initiatives help support SDG 9, which promotes inclusive and sustainable industrialization and fosters innovation.

City Accelerator

Since 2014, the City Accelerator, an initiative of the Citi Foundation and Living Cities, has gathered municipal leaders from U.S. cities of all sizes to share learnings and try new approaches for sustainable and equitable urban growth. In 2018, the Foundation expanded the initiative to five more cities – Atlanta, Ga., El Paso, Texas, Long Beach, Calif., Newark, N.J., and Rochester, N.Y. – bringing the total to 22 cities

since the program's inception. Through Living Cities, these five cities are working on projects that support the growth of local minority-owned businesses in their communities, recognizing untapped potential and creating high-quality jobs.

In the U.S., cities spend an estimated \$1 trillion annually on goods and services. Local governments are recognizing an opportunity to re-engineer the procurement process to provide more opportunities for minority businesses, which often lack the capital to meet the upfront requirements to bid on city contracts. Charlotte, N.C. – part of City Accelerator's 2017 cohort of cities – launched AMP UP Charlotte, a seven-month, in-person technical assistance program for minority business owners seeking city contracts. And the city of Milwaukee, also part of the 2017 group, worked to build awareness of contracting opportunities and inclusion programs after a survey of small and minority-owned businesses revealed a lack of awareness.

The City Accelerator directly contributes to **SDG 9**, target **9.3**, which seeks to **increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets**.



SDG Goal 9: Industry, Innovation and Infrastructure

"We're lifelong learners who want to be responsive to the needs of local minority- and women-owned firms. We learned from fellow City Accelerator cities and are reducing barriers for these businesses."

– **Cathy Kwiatkowski, Director of Public Affairs,
Department of Procurement Services, City of Chicago**

"The city of Milwaukee redesigned inclusion marketing efforts, piloted a new public buying plan, and hosted networking sessions and an internal workgroup to increase participation of diverse businesses."

– **Nikki Purvis, Director, Department of Administration,
Office of Small Business Development, City of Milwaukee**

Cities for Citizenship

Since 2014, Citi has partnered with the mayors of Los Angeles, Chicago and New York City, as well as the Center for Popular Democracy and the National Partnership for New Americans, to implement Cities for Citizenship. This nonpartisan national initiative helps provide naturalization resources to the estimated 8.8 million legal U.S. residents eligible for citizenship and encourages cities to invest in citizenship programs. About half of those eligible for citizenship are low income, and becoming a naturalized citizen can improve access to higher-paying jobs, increasing salary by as much as 11 percent. As a founding corporate partner of Cities for Citizenship, we have worked with municipalities and nonprofit organizations across the country to expand naturalization and financial inclusion programs and provide access to legal assistance, microloans and financial counseling. Since its launch, Cities for Citizenship has grown from a collaboration with three cities to a network of more than 70 cities and counties across the U.S. More information is available in latest [Cities for Citizenship report](#).

Community Progress Makers Fund

Citi and the Citi Foundation regularly work with community organizations to amplify their impact. The Community Progress Makers Fund began in 2015 as a two-year, \$20 million initiative by the Citi Foundation to support high-impact community organizations that are driving economic opportunities in their communities. Forty nonprofit organizations in six cities received general operating support grants of \$500,000 over two years plus access to skills-based, pro bono Citi volunteer teams and a network of technical experts. The unrestricted funds allow these organizations to learn and innovate. By providing technical assistance, we not only build capacity in what grantees are already good at, we also drive progress toward achieving stronger results.

Based on the success of those first 40 participating organizations, the Foundation renewed the Fund and announced 40 new grantees in 2018 that are already increasing their impact, including connecting low-income families to affordable housing, strengthening small businesses and helping community residents participate in public decision-making.

► Financing Sustainable Cities Initiative

A recent report by Citi Global Perspectives & Solutions (Citi GPS) sets out seven steps for making cities more sustainable. Contrasting "the vicious and virtuous circles of urban investment," the report examines how cities can make the most of the money they have and gain access to greater funding via innovative new financing structures.

Those seven steps will require central governments, industry, the financial community and cities to all do their part to tackle challenges from sustainable infrastructure to sustainable transportation. Learn more in the [Sustainable Cities report](#).

The Financing Sustainable Cities Initiative (FSCI), a partnership funded by the Citi Foundation, aims to help educate cities about how to accelerate and scale up their investments in sustainable urban solutions. In 2015, the Foundation teamed up with the WRI Ross Center for Sustainable Cities and the C40 Cities Climate Leadership Group to help reduce global emissions and improve quality of life for urban residents around the world. One area of focus is transportation infrastructure, which is essential for sustainable growth.

In Bhopal, India, for example, the FSCI provided technical assistance for India's first bike share program. The city had been seeing an increase in road traffic – and resulting increases in noise and air pollution – but had low levels of bicycle ridership, in part due to a lack of infrastructure that could ensure cyclists' safety. The bike program launched in 2017 with 500 bicycles and 50 docking stations. Within the first two months, it had 17,000 members, growing to more than 30,000 by March 2018. In addition to the bikes and docking stations, the city has invested in bike lanes on city streets to help protect cyclists.

The FSCI is supporting sustainable transportation systems in other cities as well, such as bike shares in Bogotá and Cali, Colombia, and electric buses in Buenos Aires, Los Angeles, and Durban, South Africa.

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Impacts of the Community Progress Makers Fund

With support from the Community Progress Makers Fund, 40 nonprofit organizations in cities across the U.S. deployed innovative solutions to address longstanding urban economic challenges, from creating jobs to expanding affordable housing to supporting small businesses and increasing energy savings for families. Below is a snapshot of their collective impact.

"The Community Progress Makers Fund is building our capacity to expand our program and double the number of lives we are able to change for the better."

– Tom Vozzo, Homeboy Industries, Los Angeles

"We are piloting an integrated model that provides diverse Bay Area small businesses with affordable loans, pro bono mentoring, and quality jobs tools and incentives to help them create jobs that are good for their workers and good for their business."

– Mary Jo Cook, Pacific Community Ventures, San Francisco

"Programs like Citi Foundation's Community Progress Makers Fund facilitate our efforts to bridge the economic divide. By funding local nonprofits, they serve as key partners in our mission to create a pathway to prosperity for low-income residents through everything from affordable housing to economic development. This enables us to continue working to create transformative change and make lasting impacts on our residents' lives."

– Mayor Francis Suarez, City of Miami



Cumulative Impacts of Community Progress Makers*

45K

people helped
in securing
financial assets

\$13.5M

saved in
energy costs

2.4K

small businesses
strengthened

36K

people placed in
affordable housing

4.5K

young people
connected to jobs

* Includes impacts across all Community Progress Makers, from 2016 to October 2018.



Infrastructure

In our 2016 Citi GPS report, Infrastructure for Growth, we estimated that as much as \$59 trillion in global infrastructure investment will be needed by 2030 to keep up with demand and replace aging systems. While the need for improved infrastructure negatively impacts the lives of people worldwide, low-income communities and developing economies are especially hard hit. As noted in the report, more than 1.5 billion people around the world live without electricity, nearly 1 billion lack clean water and 2.5 billion have no access to basic sanitation. This deficiency impacts those living in developed countries too; according to the American Society of Civil Engineers, degraded infrastructure in the U.S. decreases GDP by nearly \$4 trillion and costs American families an average of \$3,400 in disposable income annually.¹

Public- and private-sector stakeholders need to work together to find ways to overcome investment barriers. Citi finances billions in infrastructure projects around the world. In 2018, our activities included providing more than \$3.7 billion in green building and sustainable transportation projects that are helping cities meet the needs of rapid urbanization and work toward **SDG 9**, which commits to **build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**, as well as **SDG 11**, which aims to **make cities and human settlements inclusive, safe, resilient and sustainable**. Our work contributes to target **9.1**, which includes **developing quality, reliable, sustainable and resilient infrastructure**, and also supports target **11.2**, which includes an aim of providing **access to safe, affordable, accessible and sustainable transport systems for all**.



SDG Goal 9: Industry, Innovation, and Infrastructure



SDG Goal 11: Sustainable Cities and Communities

Supporting Water Infrastructure

Poor water management policies, insufficient infrastructure and a lack of effective pricing mechanisms are major contributors to an impending global water crisis. New approaches to demand for water are more urgent than ever. According to a 2017 report by Citi GPS, \$7.5 trillion to \$9.7 trillion is needed in investment for water and sanitation and related equipment around the world to address this issue.

In September 2018, Citi priced the Texas Water Development Board's State Water Implementation Revenue Fund for Texas Revenue Bonds. The \$1.7 billion transaction was issued to provide funds to implement the state water plan and to provide financial assistance for eligible water-supply

infrastructure activities, such as new wells, transmission lines and a large regional water-supply project. The transaction was the largest issuance completed to date for the Texas Water Development Board.

Also in 2018, Citi acted as a joint bookrunner/ratings advisor on Korea Water Resources Corporation's \$300 million, five-year green bond. This state-owned company in South Korea develops and manages water resources and water-supply facilities. The bond will be used to finance and/or refinance water projects related to climate change adaptation, sustainable water supply, renewable energy and water management.

¹ "Infrastructure Report Card: Economic Impact," American Society of Civil Engineers, accessed February 2019, <https://www.infrastructurereportcard.org/the-impact/economic-impact>.



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Citi Bike

Five Years and Counting



New York City

Launched: May 2013
Trips since launch: 71.8M
Miles traveled: 124.1M
Annual members: 144K



Miami

Launched: Dec. 2014
Trips since launch: 6.4M
Miles traveled: 19.2M
Annual members: 5.8K



Jersey City

Launched: Sept. 2015
Trips since launch: 978K
Miles traveled: 1.2M
Annual members: 3.4K

New York City's vast underground network of trains is likely the first thing that comes to mind when thinking of the city's public transportation. But the newest form of public transportation is also making its mark. Since launching in 2013, Citi Bike has become an integral part of the public transport landscape in the city.

Over the course of five years in New York, Citi Bike facilitated more than 70 million trips and today boasts nearly 145,000 annual members, employing more than 475 people during peak summer season. Citi Bike has also expanded beyond our hometown, with the trademark blue bicycles popping up in Miami, Fla., and Jersey City, N.J.

In 2018, Citi Bike rolled out a New York City fleet of 200 pedal-assist electric bikes, which are powered by a front-wheel motor that allows bikers to ride up to 18 miles per hour with an electric "boost." The e-bikes were averaging 14 trips per day, double the average of traditional bikes.

And in late 2018, the ride-sharing company Lyft announced it will invest \$100 million to improve and strengthen New York's Citi Bike system, including doubling its service area and tripling the number of bikes in the next five years, making it one of the largest bike share systems in the world.

Citi Bike has been one of the most visible demonstrations of our bank's commitment to playing an active role in the communities we serve and making a positive contribution to society. The program exemplifies how a public-private partnership can lead to more sustainable solutions. In New York, the public-private concept was recently extended to increase accessibility among lower-income residents. Individuals living in New York City and Jersey City Housing Authorities residences are eligible for discounted Citi Bike memberships of \$5 a month, with no long-term commitment. The discount is also available for New Yorkers who receive Supplemental Nutrition Assistance Program benefits.

All figures are through December 31, 2018.

► Natural Disasters

Citi and the Citi Foundation continued support for disaster relief and recovery efforts across the globe in 2018. The Foundation provided a \$500,000 grant to the American Red Cross for its Annual Disaster Giving Program, which enables the organization to immediately and efficiently respond to disasters across the U.S. with health services, food and medical supplies, and provided supplementary support in the aftermath of Hurricanes Florence and Michael and wildfires. In India, through Citi and employee giving, over \$200,000 was raised to rebuild the homes and lives of families devastated by the floods in Kerala.

We also continued to support the communities still recovering from extreme weather events in late 2017. Citi gave \$500,000 to four organizations in Puerto Rico to target some of the communities hardest hit by Hurricane Maria. These funds are supporting housing counseling, repairs and other recovery services across the island. And, following earthquakes in Mexico in 2017, Fomento Social Banamex, which leads our philanthropic efforts in Mexico in close coordination with the Citi Foundation, received more than \$6 million in public donations and matched those funds with support from other foundations, to contribute more than \$12 million to relief and recovery efforts. Throughout 2018, these funds went to 49 projects across the seven Mexican states affected by the earthquakes.

Citi supported recovery for communities in Puerto Rico after Hurricane Maria.



Affordable Housing and Homeownership

Soaring housing costs and weak income growth are placing significant affordability pressures on low- and moderate-income households.² National median rents in the U.S. rose 20 percent faster than inflation overall between 1990 and 2016, with median home prices rising 41 percent faster. While the growth in renter households appears to be slowing and homeownership rising, there continues to be a wide gap in homeownership by race and ethnicity.³ Communities of color and low-income families continue to be disproportionately impacted by these trends, contributing to growing inequality.

Citi is working to help solve the affordable housing crisis by financing projects in low-income urban areas and developing new models to strengthen affordable housing markets overall. This work aligns with SDG target 11.1, which includes providing **access for all to adequate, safe and affordable housing and basic services**.



SDG Goal 11: Sustainable Cities and Communities

Financing Affordable Housing

We offer a range of housing financing solutions – including municipal bonds, tax credits and subsidies – to affordable housing developers. We focus on projects that serve low-income and special needs populations, including seniors, individuals with disabilities and the homeless. Our work goes beyond just housing; we also finance projects critical to strong and vibrant communities such as schools, healthcare facilities and businesses that contribute to revitalization. At Citi, our experience as one of the leading providers of affordable housing financing in the U.S. enables us to support clients through complex development projects that take advantage of growing development opportunities, including adaptive reuse and Rental Assistance Demonstration (RAD) programs.

² Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2018*, (2018) http://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf.

³ Ibid.

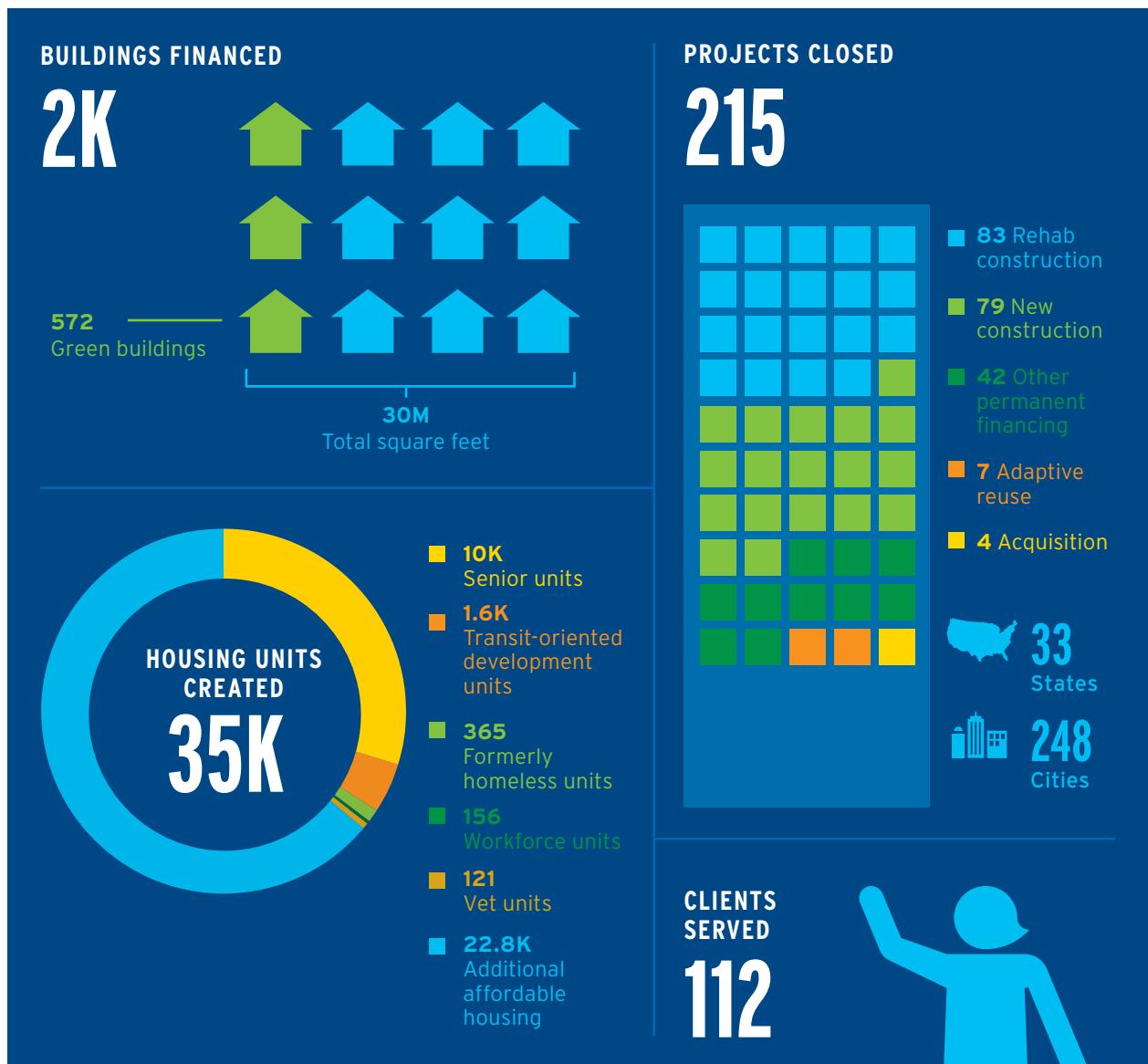


Adaptive reuse projects allow developers to take existing non-residential buildings and convert them into livable housing units. These often-complex projects test the capabilities of financiers and developers alike; but, when successful, they not only provide valuable housing but also can help preserve landmarks and contribute to the growth of the surrounding community. Renovating existing buildings also often comes at a lower environmental cost than building new ones. One such example is in El Paso, Texas, where we are helping to finance the

\$55.3 million transition of the historic Blue Flame building – so named for a 21-foot steel and plexiglass flame at the top of the tower – from an office building into 120 affordable housing apartments and nearly 40,000 square feet of commercial space. Citi provided a \$21 million construction loan and a \$3.75 million permanent loan for the project to complement low-income housing tax credits and historic tax credits. In the last five years, we have financed 25 adaptive reuse projects across the U.S., totaling nearly \$658 million.

Affordable Housing Impacts

In 2018, we provided more than \$6 billion in loans for affordable housing projects in the U.S., covering more than 35,000 units in 248 cities, serving as the leading financer of affordable housing in the U.S. for the ninth consecutive year.



RAD is a program of the U.S. Department of Housing and Urban Development that seeks to preserve and improve affordable housing. According to federal figures, public housing units across the country need more than \$26 billion in repairs, but many local housing authorities cannot afford to pay for the necessary upgrades. The RAD program allows public housing agencies to change the way they are funded so they can be eligible for repair loans. Citi has financed 51 such developments since 2015, totaling \$1.4 billion of debt and another \$300 million of low-income housing tax credits. In New York, for example, Citi provided \$213 million in financing to renovate Ocean Bay Apartments, a 1,395-unit distressed public housing development that suffered considerable damage from Hurricane Sandy in 2012. Citi has also supported a RAD Roundtable in New York City to share best practices and help these efforts scale.

Inclusive and Supportive Housing

Citi works to increase and preserve affordability while strengthening affordable housing options for vulnerable populations that are often overlooked. In Washington, D.C., Citi provided the construction loan to finance the conversion of Abrams Hall Senior Apartments, a former Army barracks at the Walter Reed Medical Campus. The building will provide 80 units for low-income seniors – 64 of them for senior households earning 50 percent or less of the area median income (AMI), with the remainder for senior households earning 30 percent or less of the AMI.

Discrimination against members of the LGBT+ community can be a roadblock to accessing safe and affordable housing. Many LGBT+ seniors in particular now live in “mainstream” housing communities, without programs to appropriately address the needs of older LGBT+ populations. It is estimated that nearly 50 percent of older same-sex couples applying for senior housing are subjected to discrimination. Citi partners with SAGE, one of the nation’s oldest nonprofit organizations dedicated to the needs of the elder LGBT+ constituency, to help ensure that communities are equipped to support aging LGBT+ residents through capacity building, consumer education, advocacy, training and the construction of more LGBT+-welcoming housing.

Citi is also collaborating with True Colors United to address the housing challenges disproportionately facing LGBT+ youth nationwide.

Innovative Approaches to Creating and Preserving Affordable Housing

A half century after the Fair Housing Act was passed to boost access to housing opportunities for all U.S. residents, the entry point for homeownership is only getting higher. While housing prices have risen across the country, real median household income has remained stagnant, pushing many families out of the neighborhoods they have long called home.

Citi has zeroed in on a proven tool for creating and preserving affordable housing: community land trusts (CLT). A CLT is a nonprofit organization that buys land to build permanently affordable housing for low-income households. Under this model, the CLT places a cap on resale and rental prices to maintain affordability over the long term, even as property prices in the area escalate. This enables renters to acquire stable, affordable housing, while those able to buy can build equity and accrue other benefits of homeownership.

Citi has invested approximately \$5 million in seeding new CLTs in New York City, Long Island, Washington, D.C., and Miami, among other locations in the U.S. A new initiative – the Citi/Grounded Solutions Network CLT Accelerator Fund – is propelling the growth of CLTs and other shared-equity programs. With a \$1 million investment from Citi, the Grounded Solutions Network is scaling up the sector and increasing access to permanently affordable homeownership for low-income, first-time homebuyers. In 2018, Grounded Solutions held a competitive review process to select three Accelerator Fund recipients. With support from Citi, the Grounded Solutions Network is providing technical assistance and investing \$500,000 in capital grants to existing high-capacity CLTs and similar shared-equity homeownership programs that hold the potential to transform the lives of low-income households.

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Citi is also backing Accelerator Funds in San Francisco and New York, cities where affordable housing is especially lacking. In San Francisco, Citi was an early investor in a public-private partnership that aims to accelerate the production and preservation of 1,500 rental units in the fund's first five years. In New York, Citi invested in the Joint Ownership Entity NYC (JOE NYC), which is enabling neighborhood-based nonprofit housing organizations to aggregate their affordable units to achieve economies of scale. Together, these organizations have created the city's largest nonprofit housing portfolio, totaling more than 3,000 units in 52 affordable housing projects. In 2018, Citi invested \$1 million to help JOE NYC acquire an additional 1,000 units of affordable housing over 18 months.

In Puerto Rico, Citi is investing in a CLT in an area hard hit in 2017 by Hurricane Maria. The Caño Martín Peña CLT focuses on a densely populated area of San Juan that is home to a disproportionate number of low-income residents. Citi's investment aims to help families secure a pathway to ownership and long-term affordability. Since 2016, we have invested more than \$1 million in housing assistance in Puerto Rico.

► Affordable Housing: Mayors' Biggest Concern

What's the #1 reason why residents leave their city? The lack of affordable housing, which tops the list of concerns among the nation's municipal leaders, according to the 2017 Menino Survey of Mayors. Named after the late Boston Mayor Thomas M. Menino, the annual survey is the largest and most comprehensive of its kind in the U.S., with 110 sitting mayors participating in the most recent study. Citi has supported the survey for four consecutive years.



Thriving Small Businesses

Small businesses are fundamental to the success of the global economy, generating two out of every three net new jobs in the U.S. alone;⁴ yet they often face difficulties accessing the capital and development resources needed to thrive and grow. Through direct financing and partnerships with community organizations and local government, we support the growth and development of small businesses and the broader economic ecosystem in countries around the world. In 2018, Citi invested more than \$11 billion in small business lending in the U.S.

Removing Barriers to Growth

Citi works with public and private partners to help remove the individual and systemic barriers to success for current and aspiring small business owners, such as access to capital and affordable space, as well as roadblocks to entrepreneurship. Because the specific challenges facing entrepreneurs often vary by region, country or even city, we engage with local entities to implement thoughtful solutions.

In Asia, for example, Citi recently signed an agreement with the Asian Development Bank (ADB) through its Trade Finance Program (TFP) to help address the trade finance needs of small and medium-sized enterprises. Through the May 2018 agreement, the ADB and Citi intend to collaborate in financing up to \$100 million or more in trade to support importers and exporters in developing markets. Citi and the ADB, which have been working together since 2009 to support trade in Asia, share the risk underlying these transactions. Over nearly a decade, the ADB's TFP has supported more than 12,000 small and medium-sized businesses across developing Asia in sectors ranging from commodities and capital goods to medical supplies and consumer goods.

⁴ U.S. Small Business Administration Office of Advocacy, *Small Business Quarterly Bulletin* (March 2018), page 1, https://www.sba.gov/sites/default/files/advocacy/Quarterly_Bulletin_March_2018.pdf.

In Paraguay, Citi is supporting government-backed efforts to promote access to financing for micro, small and medium-sized enterprises (MSMEs) in an effort to bring more of them into the formal economy. Our Citi Supplier Finance® product will allow MSMEs to advance payments using their line of credit with Citi at advantageous corporate rates.

In New York City, Citi partnered with the Local Initiatives Support Corporation NYC and the NYC Department of Small Business Services on a new initiative to help revitalize commercial corridors and small businesses across the city. Community organizations applied for funding and access to expertise to implement initiatives that were most valuable to their corridors. The organizations focused on storefront improvements, such as new signage and lighting, as well as broader efforts aimed at boosting foot traffic, increasing sales and contributing to a greater sense of safety.

Across the country, millions of businesses are at risk of closure because aging owners do not have succession plans with potential buyers. The loss of these businesses has the potential to be devastating to their communities. Instead of selling to a single buyer, owners can convert their business to employee-owned cooperatives – enterprises that are owned and governed by their employees. Citi supports national organizations such as the Democracy at Work Institute and Capital Impact Partners to generate research and provide capacity building to drive growth in the field of employee ownership. In 2018, Citi supported the Washington Area Community Investment Fund's D.C. Employee Ownership Initiative, which provides retiring small business owners with succession planning guidance and support to transfer the ownership of their businesses to employees.

Supporting Training and Development

The Citi Foundation provides funding to community partners to empower entrepreneurs and small business owners with business development support and training that are invaluable in launching or growing their businesses.

In Colombia, where a decades-long armed civil conflict has affected millions of citizens, we assisted the country's largest microfinance membership association in its support of agricultural entrepreneurs living in rural areas. With Foundation funding, Asomicrofinanzas (Asomicro), whose members disburse 97 percent of the microcredit in the country, is providing specialized training and assistance to help 500 of these entrepreneurs grow their businesses and access additional financing opportunities. Asomicro is also offering technical assistance, such as financial models and tools tailored to agricultural businesses, to microfinance institutions so they, in turn, can better serve their clients.

In the Philippines, the World Vision Development Foundation is using Citi Foundation funding in six cities across the country to provide mentorship and training in topics such as operations management, marketing and sustainability planning to 350 microentrepreneurs, while also increasing their access to financial products and services to help grow their business.

In Russia, the Centre of Social Technologies Garant (Garant) is using its network of community centers to share best practices and provide counseling and education on self-employment to low-income residents to help them launch and build an enterprise. These efforts, which have benefited more than 300 entrepreneurs, are building the capacity of some 20 community centers around the country. Garant is also launching a campaign to highlight success stories that spotlight the role of entrepreneurship in creating opportunities in communities.

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► Citi Microentrepreneurship Awards

For more than a decade, the Citi Microentrepreneurship Awards (CMA) program has been a signature financial inclusion initiative of the Citi Foundation. Since 2005, the CMA program has provided economic empowerment opportunities for microentrepreneurs, including a growing number of young people, in about 30 countries. To date, the Foundation has invested more than \$25.2 million in microfinance networks and institutions and provided \$11.6 million in cash prizes to more than 6,300 entrepreneurs.

The 2018 winners in Pakistan exemplify the program's ability to change lives. Naseem Maseeh from Karachi, owner of a stitching center, has trained more than 5,000 women. Although he is physically disabled, he was encouraged by his microfinance lender to start his own business, beginning with only two or three sewing machines.



Sanobar Anwer is awarded a Citi Microentrepreneurship Award in Pakistan.

His center now operates with more than 100 machines, and he plans to expand even further. Sanobar Anwer, who is based in a remote community in Hyderabad, is the owner of a poultry shop. Originally discouraged by relatives from starting her own business, she now supports her family and employs six people. To be eligible for the awards in Pakistan, where the program is executed in conjunction with the Pakistan Poverty Alleviation Fund, a business must have benefited from an affordable loan and must have contributed to local economic growth in its community.

► Accelerating Urban Manufacturing

Urban manufacturing jobs hold great promise for economic opportunity. The median wage in the urban manufacturing sector in the U.S. is \$50,400 a year, and 63 percent of jobs do not require a college degree.

New York City has made the development of the industrial and manufacturing sector a key component of its strategy to create more living wage employment. In 2017, Citi and the Association for Neighborhood and Housing Development (ANHD) launched the Urban Manufacturing Accelerator Fund to create and preserve quality manufacturing jobs in New York City. The Fund provides frontline

A rendering of the Peninsula Project, which received funding from the Urban Manufacturing Accelerator Fund.

resources that enable nonprofit developers to more effectively acquire and renovate manufacturing space. The program complements the NYC Economic Development Corporation Industrial Developer Fund, which was launched the previous year.

Managed by the ANHD with support from Citi, the Accelerator Fund aims to create 570,000 square feet of new industrial space through the development of up to eight urban manufacturing facilities, leveraging an estimated \$200 million in public-private investment while generating or preserving an estimated 500 quality jobs. The Fund is providing hands-on technical assistance and grant funding of up to \$60,000 to support nonprofit developers.



While the rate of unemployment is down in New York City, more than 60 percent of the new jobs created between 2009 and 2016 were lower-wage positions. The Urban Manufacturing Accelerator Fund offers an innovative approach to grow New York's industrial and manufacturing sector and an inclusive path to higher-wage jobs and greater economic security for New York City households.

In Mexico – where national and local government support and engagement from academia and the private sector are helping to create fertile ground for social enterprises – we have been investing in initiatives that scale early-stage, high-impact environmental and social enterprises that have the potential to benefit thousands of people. Fomento Social Banamex, which leads our philanthropic efforts in Mexico in close coordination with the Citi Foundation, invested more than \$800,000 in a range of projects with leading NGOs in 2018 that provide specialized training, mentorship and access to networks that enable entrepreneurs to catalyze their impact.

Inclusive Economic Growth

Most microfinance beneficiaries globally are women, making Citi's work on microfinance a direct contributor to **SDG 5**, in support of **gender equality and empowerment for all women and girls**, and in particular target **5.a**, which strives for a range of gender-related objectives, including **giving women equal rights to economic resources**. By leveraging cross-sector partnerships and innovative approaches, Citi invests in microfinance and technology solutions in underserved markets around the world.

Citi supports businesses, clients and transactions that aim to expand access to products and services in low-income communities. We recently partnered with Banco Guayaquil on a \$20 million agreement to expand financial inclusion in Ecuador through Banco Guayaquil's Banco del Barrio program, one of the most comprehensive inclusive finance programs in Latin America. Similarly, Citi entered into a \$15 million financing agreement with the Microemprendedor Assistance Council, a leading microfinance institution in Mexico. These agreements are part of a \$495.5 million strategic initiative between Citi and the U.S. Overseas Private Investment Corporation to fund inclusive finance programs in emerging markets. To date, Citi has funded 53 inclusive businesses in 26 countries, with nearly half a billion dollars in debt capital that has helped to catalyze the efforts of over 1.3 million microentrepreneurs.



SDG Goal 5: Gender Equality



Financial Inclusion

Access to financial products and services is an essential part of financial resiliency – the ability to weather income shifts or unexpected costs – for both individuals and communities. It is also related to wider macroeconomic health.

An estimated 2 billion adults around the world, however – in both developing and developed markets – remain outside the formal banking sector. To improve access for these people, banks need to understand and address the mistrust of financial institutions among many traditionally underbanked communities and also invest in innovative products that meet their unique needs. We offer products and services that help improve financial resiliency and inclusion in these communities and partner with organizations that are increasing access to financial services and providing educational resources to residents.

Our extensive work on financial inclusion contributes to progress on **SDG 8**, which aims, among other things, to **provide full and productive employment and decent work for all**. For example, Citi's work on financial inclusion in the U.S., Mexico and elsewhere contributes to target **8.10**, which aims to **strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all**.

Inclusive finance is also a key success factor for progress on **SDG 9**, which aims to **build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**, specifically enabling progress on target **9.3**, which seeks to **increase the access of small-scale enterprises, particularly in developing countries, to financial services to facilitate integration into value chains and markets**.



SDG Goal 8: Decent Work and Economic Growth



SDG Goal 9: Industry, Innovation and Infrastructure



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Making Financial Products and Services More Accessible

Citi is working to expand access to safe and affordable products and services to low-income communities and communities of color, where a lack of access to financial products and services can leave families financially vulnerable.

We have established relationships with 25 minority depository institutions, community banks and credit unions as part of our Citi® ATM Community Network, a pilot program we started in July 2016. Today, more than 440,000 customers of these institutions are able to use any of Citibank's 2,300 ATMs without paying out-of-network fees.

Smaller banks and credit unions often have difficulty maintaining a network of ATMs, which can negatively impact their clients. Nationwide, it costs consumers an average of \$4.69 per transaction to withdraw money from an out-of-network ATM. Moreover, studies show that low-income communities of color favor cash transactions, making ATM access and fees especially important.

By removing surcharge fees on cash withdrawals from Citibank branch ATMs, we are helping to reduce transaction costs, improve convenience and choice for customers, and expand access for people in the communities we serve.

Citi's history of delivering on financial inclusion is one of harnessing our global infrastructure, leveraging our geographic reach and tapping the deep expertise of our partners. By listening to the challenges of our clients and the communities we serve, collaborating with other institutions and learning from the work of leaders in the field of financial inclusion, we are working to create scalable, responsible and commercially viable solutions that expand access and deliver greater inclusive economic growth.

In Mexico, nearly half of the country's citizens are unbanked. As part of our \$1 billion investment in 2016, Citibanamex – our Mexican subsidiary and the country's second-largest retail bank – is working to increase financial inclusion in the country. Our investment included funding to create a financial inclusion business unit focused on expanding access to safe and affordable financial services for unbanked citizens. Citibanamex Financial Inclusion builds upon

our long track record of supporting microentrepreneurs and expands mobile banking tools and financial education resources. We are also working directly with the Mexican government to support its National Financial Inclusion Strategy with private-sector resources and expertise.

Through a joint venture with America Movil and a strategic partnership with Oxxo, a network of convenience stores, Citibanamex provides a basic account and mobile banking solution for the unbanked sector in Mexico called Transfer. It serves over 10 million clients, more than 80 percent of whom are new to banking.

Fostering Financial Empowerment

Building financial knowledge and skills and improving financial behaviors are important components of building a more inclusive financial system. Consumers need access to financial products and services, as well as the ability to use these products responsibly while protecting their own best interests.

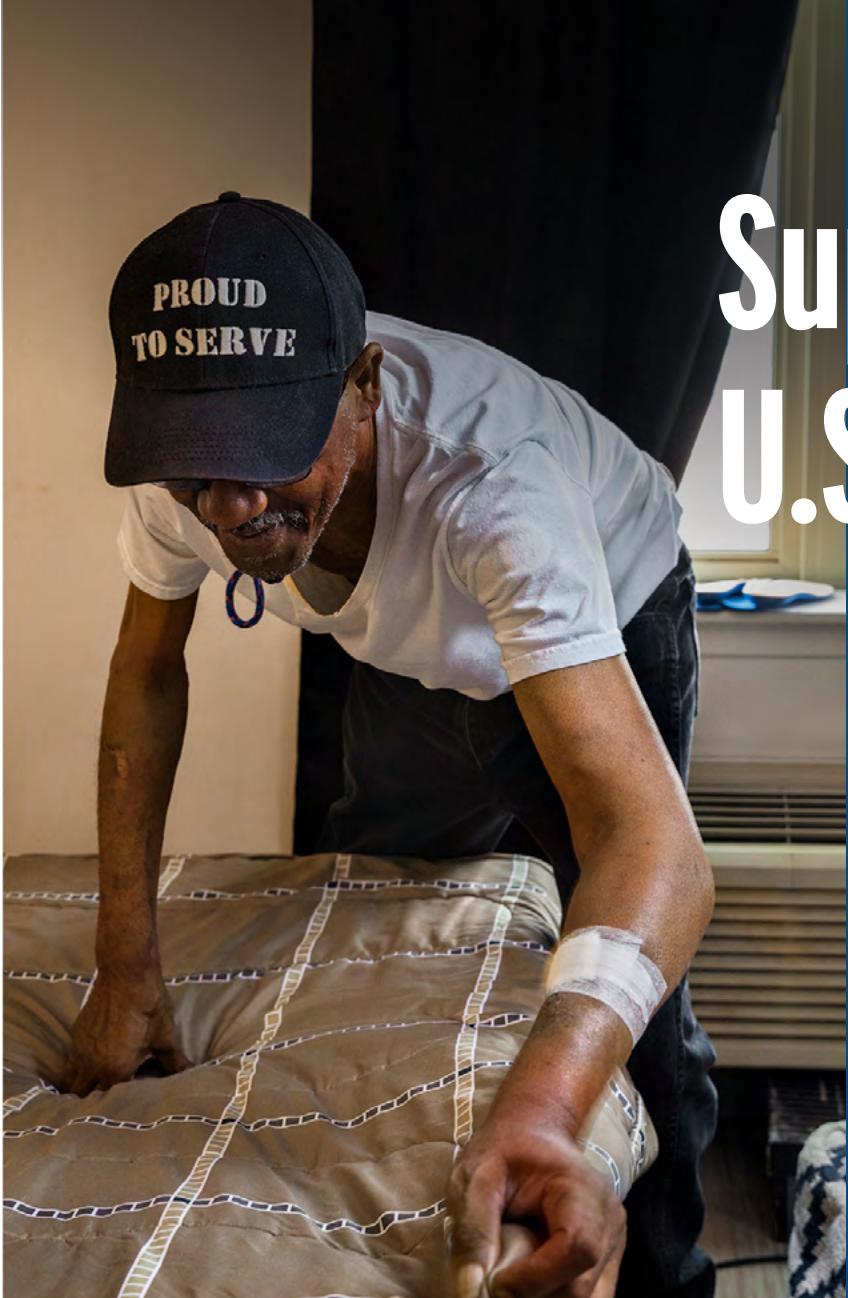
Citi offers a range of free, publicly available financial education resources online, including tools that help consumers plan for retirement, prepare for life changes and protect their wealth. In some instances, when customers may need special assistance, such as during the U.S. federal government shutdown that ended in early 2019, we provide support to effectively

➔ Taking One of the World's Largest Microfinance Institutions Public

ASA International Group, a microfinance company with subsidiaries in 12 countries, lends primarily to low-income, female microentrepreneurs in Asia and Africa – with about 1.9 million clients in all. ASA is one of the largest and most profitable global microfinance institutions. In 2018, Citi coordinated and sponsored ASA's initial public offering (IPO) – the first ever for a global microfinance issuer.

With a market cap of \$411 million at launch, ASA now has the funding it needs to support its potential client base: 365 million individuals without access to basic financial services and up to 1 billion underserved female entrepreneurs.

Supporting U.S. Veterans



In 2018, Citi commissioned photographer Gus Powell to create Bring Them HOMES: Photographs of Resilience, a 30-image exhibition that shines a light on the perseverance and dynamic stories of veterans who were once homeless or at risk of homelessness. The exhibit, which included the two photos above, was on display at Citi's Long Island City and Tribeca offices and will travel to additional cities in 2019.

Veterans frequently return from active duty to face a host of challenges, including financial insecurity. A recent survey⁵ of military families found that 60 percent of respondents did not have enough in their savings to cover three months of living expenses. Citi continues to invest in solutions that help alleviate the complex challenges that military families face, from housing and financial education to employment and military transition.

In collaboration with Military.com, Citi expanded the Transition App, which provides resources for managing finances, education, health and benefits, and employment, among other issues. Since its launch in late 2016, the app has been downloaded more than 32,000 times. The app now features more content to support veterans with disabilities and military spouses.

We also announced \$300,000 for the Columbia University Center for Veteran Transition and Integration, which provides educational programming and support for veterans and military family members. The national expansion of the center will provide tools and resources for veterans entering the classroom and the workplace. The aim is to reach 10,000 former service members and their families in the first two years.

In addition, we partner with organizations working to end the problem of veteran homelessness. On any given night in America, an estimated 37,000 veterans are homeless.⁶ Since 2012, Citi has supported the Bring Them HOMES initiative of the Local Initiatives Support Corporation, which finances, facilitates, advocates for and implements affordable housing options for veterans, and its affiliate, the National Equity Fund. To date, a total of 4,300 affordable housing units, including 3,000 specifically for veterans, have been completed or are in development.

⁵ "Military Family Advisory Network 2017 Survey Results Released," Military America Saves (website), accessed February 2019, <https://militarysaves.org/blog/l578-military-family-advisory-network-2017-survey-results-released>.

⁶ "2018 Annual Homeless Assessment Report to Congress," December 2018, <https://www.hudexchange.info/resources/documents/2018-AHAR-Part-1.pdf>.

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address their needs. In this case, Citi offered assistance measures and dedicated assistance lines for customers experiencing financial hardship.

We also partner with community organizations to build financial capability for individuals and communities. In the U.S., Citi collaborated with 12 major cities and regions in 2018 to expand free tax preparation services for low-income families. Our investments supported the establishment or expansion of federal Earned Income Tax Credit awareness campaigns. This tax credit is available to those earning less than \$54,000 and provides an average of \$2,470 per household. In Newark, N.J., for example, residents who used the free tax preparation program collected \$13 million in total tax refunds in 2018, a significant increase from the \$10 million collected in the prior year.

We also partnered with the National Disability Institute to launch Empowered Cities, a \$2 million initiative to engage municipalities and community partners in the design, testing and delivery of scalable financial empowerment and inclusion solutions within the disability community. Led by the city of New York, EmpoweredNYC is the first local pilot of Empowered Cities and focuses on enabling New Yorkers with disabilities to improve their financial stability. Starting in December 2018, EmpoweredNYC launched new financial counseling services specifically tailored to meet the complex financial needs of people with disabilities and their families. The initiative also offers monthly trainings for service providers to learn about financial empowerment issues faced by people with disabilities and how to connect people with disabilities with the resources to meet their financial needs.

We also work with several municipal and community partners to educate immigrants on issues of financial capability. Many in the Mexican community in the U.S., for example, lack exposure to formal financial services and are wary of hidden fees and large institutions in general. The Ventanilla de Asesoría Financiera (VAF) operates within the Mexican Consulate and offers advice on banking services and money management. Citi provided seed funding to create and scale this model and has collaborated with the Foreign Ministry of Mexico to expand it to consulates across the country. Of the 48 VAFs operating in the consular offices of Mexico in the U.S., Citi directly finances eight.



The Future of Work

The youth unemployment rate is three times higher than that of adults. Allowing economically disadvantaged young people to turn into economically disadvantaged adults contributes to a destructive cycle that hinders the growth of communities, cities and economies. Citi and the private sector as a whole have a role to play in helping to make the next generation the most employable yet. And public-private partnerships are among the most effective ways to reach low-income communities at scale and drive positive social and economic gains.

Through the Pathways to Progress initiative, Citi and the Citi Foundation help to deliver on **SDG target 8.6**, which aims to **substantially reduce, by 2020, the proportion of youth not in employment, education or training**.



SDG Goal 8: Decent Work and Economic Growth

Pathways to Progress

Citi and the Citi Foundation are committed to preparing young people for today's competitive job market through our Pathways to Progress initiative. In 2017, the Citi Foundation doubled its dedication to this cause with a new, three-year, \$100 million global pledge – the largest philanthropic commitment in the Foundation's history. This builds on its previous \$50 million effort in the U.S., which helped more than 100,000 young people become career-ready and employable.

The Foundation is working to reduce youth unemployment by partnering with community organizations and municipal leaders to connect 500,000 young people around the world to jobs, paid internships, workforce training and leadership development by 2020. Citi is also leveraging the time and talents of 10,000 Citi employee volunteers to serve as mentors and coaches to provide professional advice to help young people move toward achieving their career goals.

Over the course of the commitment, we have learned a great deal about what works, about where our support can add the most value and about the young

people that these programs aim to empower. One of the key takeaways has been the persistence of youth optimism. Research we commissioned in 2017 found that more than 70 percent of young people today feel optimistic about their career prospects despite profound uncertainty and change across the

globe, and more than 80 percent are willing to take risks to achieve their career aspirations.⁷ At the Citi Foundation, we aim to nurture that optimism, and heading into the final year of the commitment, we took a look back at three key trends we have been seeing across our Pathways to Progress grantmaking.

PATHWAYS TO PROGRESS IN ACTION

Young People Driving Solutions

Young people are stepping up to create solutions to some of the biggest issues facing their communities, and we support programs that give them the platforms and resources they need to bring their solutions to life.

The Partner: UN Development Programme

In late 2017, the Citi Foundation partnered with the UN Development Programme to launch Youth Co:Lab, which harnesses youth leadership, entrepreneurship and innovation to tackle social challenges and unemployment in Asia, where about half of the world's unemployed young people live.

Youth Co:Lab convened a series of national dialogues and social innovation challenges across the region, culminating in a summit in March 2018. These dialogues served as platforms for young people to engage directly with policymakers, private-sector partners, youth-led organizations, NGOs and academia on how to develop and accelerate youth-led entrepreneurship and social innovation. The social innovation challenges, akin to startup “hackathons,” allowed participants to showcase their proposed ideas and solutions to thorny global problems.

At the concluding summit, five social enterprises founded by young people were recognized for their innovative approaches toward helping to achieve the SDGs. Winning projects included a social media chatbot that aims to be a one-stop-shop for questions about legal and government processes and a textile recycling center that collects textile waste to be turned into higher-value products such as footwear and fashion accessories.



A participant pitching a social enterprise at a Youth Co:Lab national dialogue in Malaysia.

The Partner: Mikva Challenge

In 2017, the Mikva Challenge received a grant as part of the Foundation's Youth Workforce Fund, which funded 15 nonprofit organizations in the U.S. to provide a range of employment opportunities for an estimated 5,000 young people in a wide range of areas – from environmental sustainability and robotics to culinary arts and coding – through 2018. The Mikva Challenge hired about 160 Chicago youth to participate in citywide youth councils with community leaders, school administrators and city officials to identify and help solve pressing issues facing the community. The councils included dialogues between youth and the Chicago Police Department and mandatory workshops for judges and public defenders in the juvenile justice court division. Sixty recent high school graduates who excelled in Mikva programs were placed in paid summer internships in city, county, state or federal public officials' offices.

⁷ Citi Foundation, *Global Youth Survey 2017: Economic Prospects & Expectations*, https://www.citigroup.com/citi/foundation/data/pathways_youth_survey_2017.pdf.

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PATHWAYS TO PROGRESS IN ACTION

Young People Building Skills for a Changing Workplace

A whole generation of youth today is in need of resources and skills to adjust to a rapidly evolving labor market. In fact, according to the World Economic Forum, more than half of the global workforce will need to be taught new skills in the next five years as emerging technologies such as artificial intelligence take over a significant proportion of current jobs.

The Partner: Trust for the Americas

Trust for the Americas, a nonprofit organization affiliated with the Organization of American States, is preparing Latin America's low-income urban youth for careers in cyber security. Latin America has seen an unprecedented growth of jobs in the tech sector, but educational opportunities in the digital arena remain limited. This program aims to bridge that skills gap and give vulnerable youth access to employment opportunities in high-demand industries. With Citi Foundation funding, the Trust has supported young people in Colombia, Costa Rica, the Dominican Republic and Peru since 2017 and expanded to Brazil in 2018. Through technical skills development and job-readiness training, as well as opportunities to become certified, more than 300 participants in the program have improved their prospects for employment in cyber security.



Youth participants in the cyber security program.

The Partner: Education for Employment

The Citi Foundation's longstanding partnership with Education for Employment (EFE) is creating economic opportunities for urban young people in Morocco, Tunisia, Saudi Arabia and the United Arab Emirates. The Middle East and North Africa region has one of the largest youth populations in the world – and also the highest youth unemployment rate at nearly 30 percent, more than double the global average. A mismatch between the skills taught in local educational institutions and the needs of the labor market is at the heart of the youth unemployment crisis. EFE focuses on training and job placement in growing economic sectors, such as data call centers. In 2018, the program reached more than 400 youth, nearly doubling the impact achieved in the partnership's first four years.

PATHWAYS TO PROGRESS IN ACTION

Young People Accessing Networks



A Youth Business International participant opened an Ethiopian restaurant in Belgium using skills and a loan he received from the program.

For a young person, getting a first job can sometimes rest as much on having a strong network as it does on having the right skills and experience. Networks can open opportunities, provide good role models for how to approach the world of work and encourage aspirations.

The Partner: Youth Business International

In recognition of this, the Citi Foundation supports programs that help young people develop networks that may gain them employment and further their careers. A \$1.6 million grant to Youth Business International (YBI) is providing 8,700 youth in Europe with entrepreneurship training and will establish more than 1,000 mentoring relationships across eight countries. The Citi Foundation has partnered with YBI for more than a decade.

The Partner: iMentor

In the U.S., the Citi Foundation and iMentor have worked together since 2014 to equip high school students with the tools they need to succeed academically and prepare for post-secondary education and career opportunities. iMentor's model pairs high school students from low-income backgrounds with trained adult volunteers who mentor the young people on their college and career goals. In 2018, the Foundation awarded iMentor a \$1 million grant over two years to support close to 16,000 students in New York City, Chicago and the San Francisco Bay Area.

Pathways to Progress Highlights

400K
Youth reached



7K

Citi volunteers

160



Community programs



80

Countries & territories
across the globe

210K



Young people mentored



15K

Businesses started by
youth entrepreneurs

► Connecting Americans to Jobs

The Citi Foundation's efforts around the future of work have largely focused on young people, but the challenge is much broader, as urbanization, globalization and rapid technology change will ensure disruption for the current workforce as well. Already, the skills gap is a leading cause of unemployment and underemployment among adults. In 2018, the Foundation provided \$10 million to the Local Initiatives Support Corporation's Bridges to Career Initiative to help connect unemployed and underemployed Americans with jobs in growth industries that need trained workers, including healthcare, transportation, technology, construction and other industries.

Through an expanded network of sites across the U.S., job seekers will have access to a range of services designed to increase their incomes, improve their credit and raise their standards of living. In addition to skills training and career development, services will include personal finance coaching, continuing education courses to strengthen math and reading skills, and resources to help job seekers secure child care and housing arrangements.

Many of the new sites are located in areas that have been designated as Opportunity Zones, a federal incentive to increase investments in low-wealth communities as part of the Tax Cuts and Jobs Act of 2017.

→ What's Ahead

Solutions to the wide array of complex and often intertwined challenges that communities face require collaboration – across the public and private sectors, with community organizations and with community members themselves. They also require that companies, amid growing inequality and stunted political discourse, be proactive in engaging in and leading conversations that get at the root causes of these social challenges. We will continue to challenge ourselves to do more, through business activity and philanthropy, and by bringing key stakeholders together to help build inclusive and resilient communities.



Environmental Finance

A special [report](#) by the UN Intergovernmental Panel on Climate Change, published in 2018, issued an urgent and ominous warning regarding the sooner-than-expected, substantial impacts of a warming climate, from rising seas and dying coral reefs to massive wildfires and food shortages – all by 2040. Trillions of dollars in global investments are needed to limit global warming to 1.5°C above pre-industrial levels.

At Citi, we recognize the critical role our bank can play in financing a sustainable economy, including championing environmental finance activities. We have been outspoken in our support of the Paris Agreement, the international plan to address climate change and accelerate the actions and investments needed for a sustainable future. In 2018, we signed the [We Are Still In](#) declaration as part of our ongoing commitment to supporting climate change solutions and global collaboration. We also furthered our commitment to drive investment in clean energy and climate resilience by becoming a founding member of the [U.S. Alliance for Sustainable Finance](#), part of the International Network of Financial Centres for Sustainability convened by UN Environment.

► Climate Leadership Award

In 2018, Citi received a Climate Leadership Award, which honors corporations, organizations and individuals tackling climate change. Organized by the Center for Climate and Energy Solutions and The Climate Registry and sponsored by Bloomberg Philanthropies, the award recognized Citi's comprehensive approach to addressing climate change and supporting sustainable growth.

Citi's \$100 Billion Environmental Finance Goal

Environmental finance, which refers to financial activity that reduces the impacts of climate change and enables positive environmental impact, is one of the three pillars of Citi's Sustainable Progress Strategy.¹ The flagship initiative of this pillar is our 10-year, \$100 Billion Environmental Finance Goal (2014–2023). Due to increasing environmental finance activity in the global market, we now expect to reach the \$100 billion mark by 2020 – well ahead of schedule. By the end of 2018, we had counted \$95.3 billion.

The rise in environmental finance activity has been driven by exponential growth in sectors such as renewable energy, the development of innovative financial products and demand in the marketplace. When we launched our \$100 billion goal, which built upon a previous \$50 billion goal completed in 2013, many of the products available today – such as green bonds and loans, hedging for renewable energy projects and loans linked to environmental, social and governance (ESG) performance – were relatively new or even nonexistent. The developing interest in environmental financing is due not only

¹ For performance against our Sustainable Progress Strategy Scorecard, please see the report [Appendices](#).

to new and innovative products, however, but also to recent efforts by corporations and other organizations to set and achieve their own sustainability targets, with an increased recognition of the urgency of the climate challenge and the need for solutions. To meet these needs, we help our clients achieve their sustainability goals while supporting an overall stronger and more sustainable global economy.

Citi's \$100 billion goal supports our mission to provide financial services that enable growth and economic progress. Each transaction must meet at least one of six criteria in order to be counted: renewable energy, water quality and conservation, sustainable transportation, green building, energy efficiency and clean technology. The activities that fall under the goal cover a diverse range of products and services, such as project and infrastructure financing, green bonds, power purchase agreements and tax equity financing, to name a few.

In 2017, we released a standalone report called *Sustainable Growth at Citi: Progress and Impacts of Citi's \$100 Billion Environmental Finance Goal*. The report shares our progress toward the goal from 2014 through June 2017 and provides greater detail on our accounting methodology and approach to the environmental and social impact measurement of Citi's environmental finance activities.

► #1 Bookrunner Ranking

In 2018, Citi was ranked the #1 bookrunner in the Dealogic Global and Renewables league tables for Project Finance, and we were ranked second in Dealogic's USD-Denominated Sustainable Finance league table and fifth in its Green Bond league table. We were also ranked second in the industry for our municipal finance activity, which includes green bonds, by the Thomson Reuters SDC league table and #1 for Tax Equity by Bloomberg New Energy Finance.

\$100 Billion Environmental Finance Goal: Financial Highlights, 2014-2018

\$95.3B

toward the \$100B Environmental Finance Goal*

RESULTED IN



\$6.7B

in sustainable
transportation



\$18.5B

in public finance



\$11.1B

in water quality
and conservation



\$61.3B

in renewable
energy



\$16.0B

in green bonds**



\$4.1B

in green building

* Transactions fall within multiple categories of reporting.

** Includes green portion of sustainability bonds when information is available.



► Environmental Finance in Support of the SDGs

According to a recent report,² an estimated \$90 trillion of investments in climate projects will be needed by 2030 to combat climate change and achieve the UN Sustainable Development Goals. In addition, global green finance must reach \$1 trillion by the end of 2020, growing each year thereafter.

Much of the work that we count toward our \$100 Billion Environmental Finance Goal is directly aligned with three of the SDGs: **SDG 7**, which seeks to **ensure access to affordable, reliable, sustainable and modern energy for all**; **SDG 11**, which aims to **make cities and human settlements inclusive, safe, resilient and sustainable**; and **SDG 13**, which contributes to **urgent action to combat climate change and its impacts**.

For example, target **7.2**, to **increase the share of renewable energy in the global energy mix by 2030**, and target **7.3**, to **double the global rate of energy efficiency improvements by 2030**, are both directly aligned with the objectives of our \$100 billion goal. In 2018, the financing of renewable energy and energy efficiency projects accounted for \$36.3 billion and \$800 million, respectively, toward our goal.

The \$100 billion goal also directly contributes to SDG target **11.2** – which aims to **provide access to safe, affordable, accessible and sustainable transport systems for all** – thanks to our

investments in sustainable transit, another of the key criteria of our goal. Through 2018, financing for sustainable transit projects contributed a cumulative \$6.7 billion toward our goal.

While **SDG 13** is focused on the wider response to a changing climate, several of our investments, including municipal bond underwriting and activities supporting water quality and conservation projects, deliver on SDG target **13.1**, which aims in part to **strengthen resilience and adaptive capacity to climate-related hazards**.



SDG Goal 7: Affordable and Clean Energy



SDG Goal 11: Sustainable Cities and Communities



SDG Goal 13: Climate Action



² Climate Bonds Initiative, *Bonds and Climate Change: The State of the Market 2018* (September 2018), https://www.climatebonds.net/files/reports/cbi_sotm_2018_final_01k-web.pdf.

Our \$100B Environmental Finance Goal in Action

To reach our goal, we apply our environmental criteria:



Renewable Energy



Water Quality and Conservation



Sustainable Transportation



Green Building



Energy Efficiency



Clean Technology

Working with partners and clients we finance a range of transactions, such as the examples listed below:

ALTERNATIVE ENERGY BANKING AND FINANCE

- Wind Energy Project Financing
- Solar Company IPO

GREEN BONDS

- Corporate Green Bond
- Sovereign Green Bond

PUBLIC FINANCE

- Wind Energy Power Transit Bond
- LEED-Certified Affordable Housing Loan

COMMODITIES

- Power Purchase Agreement
- Monetization of Renewable Energy Credits

CONSUMER/COMMERCIAL BANKING

- Solar Company Corporate Loan

Our environmental finance activity can be seen around the world:

\$54.3B
North America

\$4.1B
Multiple Regions

\$30.4B
Europe, Middle East and Africa

\$95.3B
Total

\$1.4B
Latin America

\$5.0B
Asia Pacific

Figures may not sum to total due to rounding.

This work results in measurable impacts:

8.5M mt CO₂e
Emissions avoided

131.6K
Jobs supported
(direct, indirect and induced)

55.9M
Population in U.S. cities and counties served by water-quality projects

5.7K
Families served by green affordable housing

5.5K MW
New renewable energy capacity



Our Accounting Methodology

We use a league table³ credit methodology, based on third-party verifiable data, to calculate Citi's share of the deals included in the \$100 billion goal. This approach counts Citi's direct contribution to environmental solutions on behalf of our clients, according to our role in each transaction, and aligns with the financial sector's method for measuring credit for business activity. To demonstrate transparency and promote wider adoption of this approach among

our industry peers, we have made this methodology publicly available.

For the majority of the financial activity counted toward the goal, we use league table accounting measures from Dealogic, Thomson Reuters and Bloomberg New Energy Finance. For loans or other financial products for which there are no established league tables, we count the amount that reflects Citi's financial involvement in the deal.

► Aligning Borrowing with Sustainability Goals

What if a company could tie its interest rate to achievement of its sustainability goals, directly connecting financial success to positive environmental and social performance? ESG-linked loans, a relatively new loan financing product, allow companies to do just that, demonstrating a commitment to sustainable business practices.

This growing trend of ESG-linked loans within the investment-grade loan market provides a pricing incentive if certain sustainability targets are met – or, conversely, a pricing penalty if they are not. The ESG targets can be based on metrics commonly used by third-party analysts, such as ESG ratings, or they can be tailored to the borrower based on specific goals. The borrower and lender will determine a goal or a set of goals that apply throughout the life of the loan with intermittent annual goals to track progress. In addition, lenders will expect a robust ESG governance system to be put in place to ensure accountability to the loan structure.

Such financings originated in Europe, where a number of loans have been structured to include an environmental component. In the U.S., this is still a nascent area, with only a small number of relevant transactions to date.

Citi has served as bookrunner and mandated lead arranger on several ESG-linked transactions in the European market. In December 2017, Citi acted as coordinating bookrunner, syndication bank and mandated lead arranger for a new €600 million revolving credit facility for Stora Enso Oyj to replace its existing revolving credit facility. Based in Helsinki, Stora Enso is a leading global provider of renewable solutions in packaging, biomaterials, wooden constructions and paper. The company aims to replace fossil-fuel-based materials by innovating and developing new products and services made from wood and other renewable materials. The facility benefits from a "green" margin adjustment, which adjusts the initial margin according to Stora Enso's performance against science-based targets (compliant with the Science Based Targets Initiative) relating to the company's greenhouse gas emissions.

³ A league table is a competitive ranking of banks, companies, industries, geographies or other groups of entities ordered according to a metric (e.g., deal volume, number of deals).

Working Toward Our Goal

Citi draws on the diverse expertise of our global teams to provide our clients with innovative products and services that best capture opportunities to address climate challenges. Our Corporate Sustainability team works closely with contributing business units to track progress toward our \$100 billion goal in the following business categories – Alternative Energy Banking and Financing, Green Bonds, Public Finance, Commodities, and Consumer Banking and Commercial Banking.

Alternative Energy Banking and Finance

Citi provides a full range of financing solutions for environmental projects globally, and we continue to develop innovative, end-to-end solutions to meet our clients' unique financing needs. Our Alternative Energy Banking and Financing team has developed extensive expertise in financing solutions for a broad spectrum of renewable energy technologies, including wind, solar, geothermal and biomass. For larger, utility-scale projects, we are able to provide multiple services as a one-stop shop for our clients, including construction financing, commodities hedging and tax equity on a single deal. Citi's approach to alternative energy and banking products has sparked increased client demand for across-the-board financing solutions.



Jamie Forese discussing financing sustainable growth at the 2018 Ceres Conference.

"I've been in banking for 33 years, and I think we've seen an incredible evolution of the role that banks play in environmental and social issues today. We used to say, 'We're just a bank, what do you want us to do? We're just here to facilitate economic opportunity.' Today, our position has evolved to say, 'Because we're a bank, let's see what it is that we can do.'"

– Jamie Forese, President, Citigroup and CEO, Institutional Clients Group

\$100B GOAL IN ACTION • ALTERNATIVE ENERGY BANKING AND FINANCE

► Hornsea Wind

Citi served as co-debt financial advisor, co-placement agent and sole export credit agency arranger to Ørsted (formerly DONG Energy) and Global Infrastructure Partners (GIP) on a £3.6 billion debt financing package for Hornsea 1, a greenfield UK offshore wind farm project located in the southern part of the North Sea. Hornsea 1 will be the world's largest offshore wind farm when commissioned, with a total capacity of 1,218 megawatts, and will supply clean energy to more than 1 million UK homes. Citi led the structuring and placement of the debt financing – the largest-ever project financing in the global renewable sector – as co-debt financial advisor and co-placement agent. Citi also underwrote the £800 million export credit agency-backed facilities as sole arranger and sole initial lender.

The debt financing package will partially fund the construction of the offshore wind farm, as well as support the £4.5 billion acquisition by GIP III Jupiter of a 50 percent stake in Hornsea 1, where Citi acted as exclusive sell-side merger and acquisition financial advisor to Ørsted in the sale process.





SOLUTIONS FOR IMPACT

Inclusive and Resilient Communities

Environmental Finance



Green, Social and Sustainability Bonds

Citi was one of the largest underwriters of green, social and sustainability bonds globally in 2018. These transactions helped our clients raise more than \$178 billion to meet their environmental, social and sustainability goals.

In early 2018, Citi served as joint bookrunner and billing and delivery on the Republic of Poland's €2 billion dual-tranche green bond offering, formed of 10- and 30-year tenors – the latter being the longest ever green bond issued by a sovereign. Also in 2018, the San Francisco City and County Public Utilities Commission issued the first green bond offering incorporating a put option. Citi served as senior manager. (Learn more on the next page.)

Citi co-founded the Green Bond Principles, which provide issuers with guidelines encouraging transparency, and we are an active member of its Social Bond Working Group. As part of that working

group, we worked on the release of the Social Bond Guidance document in 2016 to support the growth of the emerging markets for social bonds, which finance projects that produce clear socioeconomic benefits, and sustainable bonds, which support both environmental and social benefits. Citi has been an active player in these bond markets, and while social and sustainable bonds are not counted toward our \$100 billion goal, which is focused on environmental finance, they are an important part of our growing sustainable finance business.

Public Finance

National and subnational governments are often on the front lines in responding to climate change, and Citi provides financial solutions, including loans and bonds, to help them invest in clean water, transportation and energy infrastructure to meet the needs of their citizens. For example, the San Francisco City and County Public Utilities Commission (SFPUC) issued more than

\$100B GOAL IN ACTION • GREEN, SOCIAL AND SUSTAINABILITY BONDS

► Republic of Indonesia Green Bond

In February 2018, the Republic of Indonesia successfully priced a \$1.25 billion five-year green Sukuk, the world's first green sovereign Sukuk offering. Sukuk are Sharia compliant instruments that do not involve the payment and receipt of interest, which is not permitted under Sharia principles.

As the largest archipelagic country in the world, Indonesia plays a significant role in global efforts to combat climate change and preserve the environment, especially its own extensive tropical

rain forests. Indonesia has committed to reduce greenhouse gas emissions by 29 percent by 2030 and has pledged to make renewable energy one-quarter of its energy mix by 2025, double what it is today. Indonesia's Green Bond and Green Sukuk Framework includes a broad range of sectors that promote the transition to a low-emission economy and climate-resilient growth, including climate mitigation, adaptation and biodiversity. Citi served as joint lead manager on this landmark transaction.



\$594 million in revenue bonds, composed of approximately \$408 million in green certified bonds (Series 2018A&C) and nearly \$186 million in serial bonds (Series 2018B). On behalf of the Commission, Citi served as senior manager in underwriting the approximately \$180 million Series C five-year, fixed-rate, green put bonds. Proceeds from the offering are expected to be used to fund selected aspects of the SFPUC Sewer System Improvement Project, including stormwater, flood resilience, sewage treatment, wastewater and infrastructure upgrades, and are intended to address issues such as aging infrastructure, seismic reliability, rising sea levels and localized flooding. The offering represents the first green bond incorporating a put option.

Citi's community lending and investing activity also includes financing of affordable housing. LEED-certified affordable housing projects are counted toward our \$100 billion goal. The affordable housing activity counted in 2018 served nearly 1,000 families.

Commodities

Citi's Commodities team and energy trading desk, Citigroup Energy Inc. (CEI), provides hedges for renewable energy project financing deals, helps clients obtain renewable energy credits and works on commodities derivatives. These services help enable our clients to achieve their financial and environmental goals for renewable energy procurement. CEI has also played a role in helping Citi meet our goal to power our facilities with 100 percent renewable energy by 2020.

In Texas, Citi provided a comprehensive financing solution, including combining construction loan financing, an 11-year physical power hedge, agency and trust services, and an unlevered tax equity partnership, for the Midway Wind project. In 2018, we also purchased renewable energy from this project. Learn more in the [Operations section](#).

\$100B GOAL IN ACTION • PUBLIC FINANCE

► Affordable Housing Revenue Bonds

In June 2018, Citi senior managed a \$201 million transaction for the New York State Housing Finance Agency to finance nine multi-family projects, accounting for more than 1,300 units of affordable housing across the state. About \$117 million of the bonds were designated as certified green bonds, meaning that the associated projects will meet or exceed certain ENERGY STAR® efficiency standards and qualify as "low-carbon buildings" under criteria set by the Climate Bonds Initiative. The sale was oversubscribed, with more than \$406 million in orders. Learn more about affordable housing in the [Communities section](#).



\$100B GOAL IN ACTION • COMMODITIES

► Sourcing Renewable Power

In February 2018, CEI designed a wholesale power intermediation structure to enable QTS Realty Trust to source renewable power for its Irving, Texas, data center. The 10-year renewable energy sale combined an asset-specific physical power hedge with renewable energy credits from the \$316 million Flat Top Wind Project, located about 130 miles from Irving in Comanche, Texas. Citi Project & Infrastructure Finance, Alternative Energy Finance and Commodities jointly provided the construction loan and letter of credit facilities, tax equity and energy hedge for the Flat Top Wind project in 2017.





\$100 Billion Environmental Finance Goal

Financial Data*

in billions of dollars, 2014-2018



Region	2014	2015	2016	2017	2018	TOTAL	TOTAL %
■ North America	4.2	11.2	6.7	7.4	24.8	54.3	57%
■ Europe, Middle East and Africa	2.4	4.1	7.8	6.7	9.5	30.4	32%
■ Asia Pacific	0.2	0.1	0.5	2.3	1.8	5.0	5%
■ Latin America	0.2	0.5	0.1	0.4	0.3	1.4	1%
■ Multiple Regions	0.5	1.1	0.5	–	1.9	4.1	4%
Total	7.5	16.9	15.6	16.9	38.4	95.3	100%



Environmental Criteria	2014	2015	2016	2017	2018	TOTAL	TOTAL %
■ Renewable Energy	4.9	11.6	9.6	10.9	24.4	61.3	64%
■ Solar	0.8	2.1	0.6	4.9	1.6	10.0	10%
■ Wind	3.0	7.9	8.6	4.4	7.3	31.2	33%
■ Mixed Renewables	1.1	1.6	0.4	1.6	15.4	20.1	21%
■ Energy Efficiency	0.1	0.3	0.3	0.1	0.0	0.9	1%
■ Green Building	0.4	0.6	0.7	0.3	2.1	4.1	4%
■ Sustainable Transportation	0.5	1.8	1.6	1.2	1.6	6.7	7%
■ Water Quality and Conservation	0.4	1.2	2.8	1.4	5.3	11.1	12%
■ Clean Technology	0.1	0.1	0.1	0.0	0.1	0.3	0%
■ Multiple Criteria	1.1	1.4	0.5	2.9	4.9	10.8	11%
Total	7.5	16.9	15.6	16.9	38.4	95.3	100%



Business	2014	2015	2016	2017	2018	TOTAL	TOTAL %
■ Alternative Energy Banking and Finance	4.2	11.0	9.0	9.2	24.1	57.5	60%
■ Green Bonds**	1.8	1.8	1.4	4.4	6.7	16.0	17%
■ Public Finance	0.7	3.2	4.3	2.9	7.3	18.5	19%
■ Commodities	0.2	0.5	0.5	0.2	0.0	1.4	1%
■ Consumer Banking and Commercial Banking	0.6	0.5	0.4	0.2	0.1	1.7	2%
Total	7.5	16.9	15.6	16.9	38.4	95.3	100%

* Figures may not sum to totals due to rounding.

** Includes green portion of sustainability bonds when information is available.

Environmental and Social Impacts Achieved Through Our \$100 Billion Goal

The \$100 Billion Environmental Finance Goal is about more than the dollar figure. We recognize that the real-world impacts of these investments are a crucial measure of success – for Citi, our clients and our communities.

When we first developed our goal, we felt it was important to measure and understand the full scope of our work. Utilizing stakeholder feedback, we identified a range of impacts – greenhouse gas (GHG) emissions avoided, jobs supported and community benefits realized – that we are able to apply to a subset of the transactions counted toward the goal. We calculate these metrics where actual data or a reasonable proxy method can be obtained. There is no one universal way to measure these impacts, so we developed our approach following extensive research on a variety of best practices.

This area of work continues to be an ongoing learning process for us at Citi. We have refined our methodology over the last several years as we work to better understand the impacts associated with the activity that counts toward our goal. Overall, we take a conservative approach to reporting impacts and do not include deals in which we have limited transparency on transaction details. Our impact measurement methodology aligns with our accounting approach to report on impacts associated with our share of a transaction.

To calculate environmental impacts, we developed models to estimate the GHG emissions avoided by a subset of the transactions that contribute to the \$100 billion goal – specifically, renewable energy financing, energy efficiency financing and public finance. The estimated 4 million metric tons of GHG emissions avoided as a result of our activities in 2018 is the equivalent of removing more than 845,000 cars from the road for one year.

For social impacts, our primary metric is the number of jobs that are supported by a segment of activity counted toward the goal, specifically Citi's financing of U.S.-based renewable energy projects and public finance activity. We developed a model that estimates our contribution to supporting job creation based on an approach used by economists and public policy experts. These calculations are based on specific investment and expenditure profiles tied to data aggregated from a number of sources. For 2018, we estimate that more than 37,000 direct, indirect and induced jobs are supported by the financing we provide to our clients.

For the first time, in 2018, we calculated our direct, indirect and induced impact on the U.S. gross domestic product (GDP). We estimate that our 2018 financing activities have contributed approximately \$8.2 billion to U.S. GDP.





Impact Data*

Environmental Impacts	2014	2015	2016	2017	2018	TOTAL
Avoided GHG Emissions (mt)	1,360,092	1,740,659	325,676	1,058,809	3,987,444	8,472,680
Renewable Energy Project Finance	1,294,788	1,590,612	180,739	1,057,022	3,922,551	8,045,712
Energy Efficiency Finance	60,061	145,524	140,149	-	63,229	408,963
Public Finance	2,224	1,672	1,453	1,246	1,664	8,258
Consumer/Commercial Banking	3,019	2,851	3,335	541	-	9,746
Renewable Energy Capacity Added (MW)	563	869	278	619	3,154	5,483
Social Impacts	2014	2015	2016	2017	2018	TOTAL
Jobs Supported	11,574	29,494	30,140	22,995	37,364	131,567
Renewable Energy Project Finance	4,870	8,069	4,378	4,357	5,098	26,772
Public Finance**	6,704	21,425	25,762	18,638	32,266	104,795
People Serviced by Water Quality and Conservation Projects	211,346	6,916,113	28,831,321	7,617,037	12,363,540	55,939,357
Families Serviced by Affordable Housing Activity	1,237	1,004	1,166	1,340	956	5,703
Trips on Transit System Projects (in billions)	-	3.5B	3.1B	4.2B	3.2B	14.0B

* Figures may not sum to total due to rounding.

** The 2017 amount of Public Finance jobs supported is revised from previous reporting to accurately reflect our methodology.

→ What's Ahead

As we approach completion of our \$100 Billion Environmental Finance Goal, it's abundantly clear that the scale of climate change, and its related impacts on society, necessitates significant investments across all industries. Based on the latest information from the IPCC, we anticipate these investments going beyond financing low-carbon energy, technology and infrastructure to include climate-friendly land use in the forestry and agriculture sectors – areas that are gaining greater attention and understanding from both scientific and industry players and that will need significant financial investment in the decade ahead. If we're going to contribute to both mitigating the worst potential effects of global warming and increasing our collective resilience to the expected changes, we must quicken the pace of transition across all sectors to deliver the most scientifically and financially sound strategy we can.

This transition requires that we look at new ways we can leverage our financial resources. In early 2019, Citi issued our inaugural green bond – a €1 billion, three-year, fixed-rate note. The bond will fund renewable energy, sustainable transportation, water quality and conservation, energy efficiency and green building projects financed as part of our \$100 billion goal. Since co-founding the Green Bond Principles in 2014, Citi has been a leader in the development of the green bond market, and the issuance of this bond enhances our green bond expertise and furthers our commitment to the continued growth of the market.

It also requires that we continue to help lead the dialogue around climate change. We are working with our investors to determine next steps in understanding climate risks and opportunities as part of our TCFD journey. We also continue to build on our

► TCFD and Climate Opportunities

Citi supports the Task Force on Climate-related Financial Disclosures (TCFD) and its recommendations for improved disclosures of the financial impacts of climate-related risks and opportunities. The focus on climate opportunities as well as risks is well-aligned with our Sustainable Progress Strategy. Our environmental finance activities reduce climate change impacts and create environmental solutions in collaboration with our clients and other stakeholders.

In November 2018, we released our first climate disclosure report, *Finance for a Climate-Resilient Future*, in response to the recommendations set forth in the TCFD. The report considers how physical risk (related to extreme weather) and transition risk (related to climate policy and rapid technology changes) could impact clients and the broader financial system. The report also highlights opportunities for Citi to support clients by making investments in clean energy, infrastructure and technology.

For more on how we are responding to the TCFD recommendations and managing climate risks and opportunities, see the [Citizenship at Citi section](#).

advocacy through our support of initiatives like We Are Still In, our partnerships with NGOs such as Ceres and the World Resources Institute, and engagement with trade organizations like the U.S. Chamber of Commerce, with which we and other companies have been engaging on climate-related policy positions. Through the use of our corporate voice, we work to encourage positive action and address societal challenges in the face of rapid change.



How We Do Business

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HOW WE DO BUSINESS

Environmental and Social Risk Management

Human Rights

Operations and Supply Chain

Digital Innovation

Talent and Diversity

Ethics and Culture



Environmental and Social Risk Management

The financing decisions we make, and our assessment and management of environmental and social risks, are integral to acting responsibly as we enable growth and economic progress. Our risk management and client engagement activities help us evaluate financial opportunities. And, importantly, they give us the opportunity to promote to our clients the adoption of international best practices in environmental and social impact management.

Environmental and Social Risk Management (ESRM) is one of the three pillars of our [Sustainable Progress Strategy](#).¹ Our ESRM-related activities help us and our clients navigate a constantly evolving risk landscape in order to make responsible decisions.

Our ESRM Policy

Citi finances billions of dollars in transactions for a wide variety of clients and projects, many of which have potential environmental and social impacts. We carefully evaluate and consider these risks when making financing decisions on individual, project-related transactions and during annual reviews and portfolio assessments.

Our internal ESRM Policy, summarized publicly in our [Environmental and Social Policy Framework](#), helps us responsibly finance projects and activities by effectively engaging our clients on sustainability best practices. The policy covers a broad scope of financial products and client sectors and sets standards for how we assess client impacts on air quality, water quality, climate change, biodiversity, local communities, labor and other environmental and social issues. We established our comprehensive ESRM Policy in 2003 – the first U.S.-based financial institution to do so – and we continue to evolve our approach in response to emerging risks and new product development.

For example, during 2018, we integrated new policy commitments related to the sale of firearms into our ESRM Policy (learn more about our U.S. Commercial Firearms Policy in the [Human Rights section](#).) We also formalized a policy commitment restricting financing for the construction or expansion of coal-fired power plants (learn more in the [Reducing Credit Exposure to Coal section](#)).

Policy Implementation

Our centralized team of ESRM specialists evaluates all transactions that trigger a review according to our ESRM Policy. We also rely on employees throughout our organization globally, such as our ESRM Champions, to help spot potential risks. This network approach greatly enhances the global coverage capacity of our centralized specialist team. The ESRM team works collaboratively and shares information and best practices in bimonthly network calls that help support and strengthen the entire network.

Citi's ESRM team categorizes the project-related transactions they review as A, B or C, with A indicating the highest risk. The categorization is based on the magnitude of potential adverse environmental and social impacts associated with the project and is aligned with the Equator Principles and International Finance Corporation categorization. For general corporate purposes transactions under our ESRM

¹ For performance against our Sustainable Progress Strategy Scorecard, please see the report [Appendices](#).

Policy (categorized as “general review”), we evaluate a client’s environmental and social policies and performance, as well as its commitment and capacity to manage environmental and social issues. Higher-risk, project-related transactions receive in-depth reviews against applicable standards by independent environmental and social consultants. If gaps are found between a client’s environmental and social plans, policies or practices and international standards, we develop an Environmental and Social Action Plan (ESAP) to fill the gaps. As a condition of financing, we require the client to implement the ESAP, and we monitor progress over time.

For example, during due diligence for the potential financing of a new U.S. wind farm, we identified possible risks related to an endangered bird species. The risk was a low probability but could have a high impact, if realized. As a condition of financing, we required the project sponsor to develop a species-specific operations protocol to:

- Train the wind farm staff to identify the species in the visual vicinity of the project
- Develop a communications plan to report the observation to the U.S. Fish and Wildlife Service and relevant state agency
- Define circumstances that would require curtailment, including specific protocols to implement if the species is present

Our ESRM Policy is most effective in cases like this one, when we are considering financing projects and have the influence to include financing conditions requiring tangible actions to improve environmental and social outcomes.

In some cases, however, we must decline to participate in a transaction because we do not believe we can adequately address the environmental and social risks through mitigation measures or the risks are too high. In 2018, we evaluated an opportunity to finance an oil and gas development project that our initial ESRM screening indicated would have impacts on the biodiversity of a natural habitat and on local Indigenous Peoples. While the project sponsor was using industry-leading biodiversity management approaches and making sincere attempts to constructively engage with the indigenous communities, we did not think the project would be able to obtain the free, prior and informed consent of the affected Indigenous Peoples, and we therefore declined to move forward with

financing discussions. Also in 2018, we declined three transactions related to project and equipment financing for new coal-fired power projects, in anticipation of the rollout of our new policy commitments restricting financing for new coal-fired power capacity.

Applying our ESRM Policy helps us identify additional risks beyond traditional credit risks, guides decisions for how to evaluate future transactions related to companies or projects within high-risk sectors, and presents opportunities for us to advise clients on solutions to thematic risks. To learn more about our ESRM Policy, including Areas of High Caution, sector-specific standards and policy prohibitions, see our [Environmental and Social Policy Framework](#).

● GRI 102-44

➤ ESRM Champions Are Key to Mitigating Environmental and Social Risk

Citi's ESRM Champions are employees with regional expertise and additional ESRM training, who serve as a bridge between our local banking teams and our global ESRM team. They also assist in training local, internal teams about our ESRM Policy and provide important regional insights that improve our ability to make responsible lending decisions. For example, during 2018, our ESRM Champion in Mexico led the development of an environmental and social risk screening tool that simplifies the detection of sensitive areas in the vicinity of oil, gas, mining, power and real estate projects in Mexico. The tool uses postal codes and public databases to quickly map and identify natural protected areas, priority sites for biodiversity conservation, culturally significant and archaeological sites, as well as lands owned or occupied by Indigenous Peoples. In addition to maps, the tool provides general recommendations for more comprehensive environmental and social reviews. The tool has been adopted by the Mexican Banking Association, and voluntary implementation by member banks will begin in 2019.



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Working to Improve Habitat Conservation and Labor Conditions in the Palm Oil Industry

The palm oil industry has many environmental and social challenges and is often linked to deforestation and associated greenhouse gas (GHG) emissions, degradation of endangered species' habitats and human rights risks. Many palm plantations have been established on peat swamp forests, a particularly carbon-rich type of forest that, when drained or burned, releases even more GHGs into the atmosphere than other types of tropical forests. In addition to these concerning climate impacts, the large-scale conversion of tropical rain forests into palm oil plantations can adversely impact biodiversity, such as in Borneo and Sumatra, where orangutan populations have been left without food and shelter and have become even more vulnerable to poachers due to deforestation.

Citi has been an active member of the Roundtable on Sustainable Palm Oil (RSPO) since 2010 and currently serves on the RSPO Complaints Panel. We require our palm oil clients to become members of the RSPO and regularly engage them on their progress toward 100 percent RSPO certification. In 2018 this engagement included discussing innovative ways for one client to address its deforestation liabilities under RSPO requirements that ultimately led to their establishment of a tropical rainforest conservation fund and an orangutan conservation and rehabilitation area in Indonesia. We also engaged with the founders of a new conservation fund that develops conservation and restoration projects to offset palm oil plantation impacts and promoted their services to our clients and peer banks.

In 2018, RSPO members passed new Principles and Criteria for the Production of Sustainable Palm Oil, which take a strong position on zero deforestation and the adoption of a decent living wage, as defined by the Global Living Wage Coalition, for all palm oil workers. The conservation and restoration of existing high-conservation value and high-carbon stock forested land, which would otherwise be turned into palm oil plantations, is helping to mitigate environmental impacts and preserve critical orangutan habitat. Citi supports this step toward more sustainable palm oil and is integrating the new criteria into our evaluation of clients' operations. We also enhanced our Palm Oil Sector Standard questionnaire with new questions related to systemic labor risks on palm oil plantations, with a particular emphasis on child and forced labor. This addition will improve our ability to evaluate and address labor risks in our clients' business practices directly.

At the same time, our partnership with the RSPO allows us to collaborate broadly and contribute to worker welfare in less direct, but no less important, ways. For example, our service on the RSPO Complaints Panel allowed us to show support for and encourage the RSPO to partner with Ulula – a mobile technology platform that facilitates reporting of worker welfare issues, monitoring of working conditions and employee engagement. The RSPO and Ulula began working in 2018 to launch the platform in Sabah, Malaysia, and across four estates in Indonesia.

Monitoring the Changing Risk Landscape

The ESRM team uses a number of methods to proactively scan the changing risk landscape for new, emerging risks as well as risks with increased prominence and prevalence. Through internal research and inputs from third-party environmental and social data providers, we monitor relevant developments in high-risk industries and stakeholder areas of concern to flag emerging issues. This ongoing monitoring keeps us responsive to evolving risks, allows us to raise awareness within Citi about emerging issues and helps us identify clients that are impacted by these emerging risks for engagement.

Our risk monitoring feeds into our ESRM Watchlist process, through which we flag individual companies based on their track record, sensitive or controversial assets, third-party analyst scores and negative news. In 2018, for example, Citi added a large industrial company to the ESRM Watchlist due to concerns about environmental contamination and the resulting health concerns in nearby communities that led to violent protests. The Watchlist designation prompted the ESRM team to conduct enhanced due diligence of a proposed transaction and to proactively engage with the client on environmental remediation, stakeholder engagement and community grievance measures. Through the risk monitoring of the Watchlist process, the ESRM team continues to track developments with the company regarding litigation, regulatory inspections and community engagement and to drive continuous improvement through ongoing client engagement.



Client Engagement

Engaging our clients is an important part of our ESRM due diligence process. Initially, these engagements were tied only to specific, project-related financial transactions and the associated environmental and social risks and mitigation efforts. However, as we have developed sector-specific risk management approaches over the years, we have added corporate-level reviews and engagements for a number of sectors. These sector-specific risk review processes encourage dialogue between Citi and our clients about the material environmental and social risks associated with their operations, enabling us to develop a better understanding of prevailing industry practices and our clients' performance.

During 2018, we prioritized these broader engagements with a number of our North American clients in the oil and gas industry, particularly as more and more seek to proactively engage their banks and investors on their environmental, social and governance performance. We discussed their environmental, health and safety management policies, stakeholder engagement approaches and climate impact reduction strategies, as well as their efforts to improve transparency on these matters. We also shared the evolving approaches banks are taking to evaluate their clients, as well as information on what Citi is doing in response to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

➤ Collaborating to Update Industry Standards

During 2018, Citi actively participated in the [Equator Principles](#) update process, helping to design the next iteration of this global standard for banks evaluating environmental and social risks. Citi participated in multiple working groups, including those examining social risks, climate risks, biodiversity and the scope of covered transactions. This work is ongoing, with the final, updated standard expected during 2019.



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Climate-Related Risk

Climate change is one of the most critical issues facing our society today. Unless actions are taken to transition to a low-carbon economy and address climate-related risks, the impacts of climate change are only expected to increase. As a financier of the global economy, we are keenly aware that climate change is a serious risk that affects many of our clients. In response, we are increasingly focused on how to assess the impacts of climate change on our portfolios.

Climate Risk Analysis

Citi has been conducting various types of climate risk analysis over the past few years. In 2016, we undertook our first climate-related stress test. We collaborated with the Natural Capital Finance Alliance and the UN Environment Finance Initiative (UNEP FI) to pilot a drought stress-testing tool to assess the resilience of several lending portfolios to different drought scenarios in the U.S. and Mexico. We followed this up in 2017 with a stranded assets analysis to understand the likelihood that upstream oil and gas assets in our energy portfolio would lose value because of a carbon price or tax and how that would impact clients' credit quality. More information about these analyses are available in our [2017 Global Citizenship Report](#).

Building on this work, we partnered with 15 other leading global and regional banks and UNEP FI on a pilot project to conduct climate scenario analysis in alignment with the TCFD recommendations released in June 2017. We used the methodologies that this working group developed to assess the potential financial impacts of transition risk and physical risk associated with climate change to understand climate-related risks and opportunities in Citi's lending portfolios for U.S. utilities and U.S. and Canada oil and gas exploration and production. Various teams within Citi's risk management function, including our ESRM and credit risk teams, were involved in conducting our



climate scenario analyses, which explored how clients' creditworthiness changes under three temperature warming scenarios: 1.5°C, 2°C and 4°C.

Following our analysis, Citi published our first TCFD report, [Finance for a Climate-Resilient Future](#), in November 2018. A summary of the report is included in the [Citizenship at Citi](#) section of this report, and a [TCFD index](#) is included in the Appendices.

Reducing Credit Exposure to Coal

The shift away from fossil fuels in pursuit of renewable energy will have a significant effect on both coal-fired power production and coal mining. Since 2015, Citi has had a commitment to reduce our credit exposure to the coal mining industry. The effort applies globally to companies generating a

majority of their revenues from coal mining activities and to coal-focused subsidiaries of diversified mining companies. To deliver on this commitment, we have conducted corporate-level risk reviews for existing and prospective mining clients who derive more than half of their revenues from coal. Over the past three years, we have successfully reduced our credit exposure.

Furthermore, in 2018, we updated our ESRM Policy with a new restriction on financing for the construction or expansion of coal-fired power plants. This includes transactions supporting the supply of all components, equipment, materials and services directly required for the construction of such plants. Exceptions may be considered for proposed ultra-supercritical plants that address situations of energy poverty (i.e., in countries where the national electrification rate is reported as 90 percent or below in the annual Energy Progress Report). Any exception we may consider financing would go through independent analysis to verify that the proposed project or expansion aligns with the host country's Nationally Determined Contribution under the Paris Agreement.

In addition, Citi will review our power-sector clients with coal-fired generation annually to evaluate their GHG reduction strategies and their management of risks and opportunities related to a low-carbon transition. We will request information about GHG emissions related to owned generation and purchased power; climate-related risks and opportunities impacting the client's business strategy, including, if available, a 2°C climate warming scenario impact analysis; and a description of the company's current efforts and future strategic plans to support a transition to a low-carbon energy future, including diversification options to shift away from coal-fired power sources and quantitative targets for reducing GHG emissions.

Enhancing Our Training

Each year, we train key risk and banking personnel on our ESRM Policy, including in-depth discussions on environmental and social risks relevant to certain regions and sectors, Equator Principles implementation and Citi Sector Standards. The training also includes emerging risks and guidance to help employees recognize environmental and social risk in transactions – ranging from climate change risks to human rights risks to labor concerns and more. During 2018, we undertook an extensive effort to revamp and relaunch our online employee training modules related to the Equator Principles and our ESRM Policy, as well as Citi's new firearms policy in the U.S. In total, more than 900 Citi employees underwent ESRM training during the year.

→ What's Ahead

Environmental and social risks are constantly evolving. In response, we will continue our ongoing review and risk analysis at every level – across sectors, clients and individual transactions. We will also continue to use our Watchlist to further integrate risk analysis into our day-to-day business processes, while at the same time staying abreast of evolving risks and enhancing our policies. As the world seeks to mitigate the impact of climate change and its associated risks, we are continually learning about emerging best practices for financial institutions to evaluate climate-related risks. In support of ongoing reporting and risk analysis, we will consider our next steps in addressing the TCFD recommendations in consultation with investors and key stakeholders. Our ESRM team is also partnering with colleagues in Citi's Technology Group to understand how artificial intelligence and machine learning, as well as other forms of advanced data management, could help expand our capacities and optimize our approach to environmental and social risk management.



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2018 Projects Covered by the Equator Principles

As part of our commitment to the Equator Principles (EP), we report annually on our implementation.

- A Category A** – Projects likely to have potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented
- B Category B** – Projects likely to have potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures
- C Category C** – Projects likely to have minimal or no social or environmental impacts.

Funded EP Project Finance Loans

1	Category A
5	Category B
0	Category C
Total = 6	

Funded EP Project-Related Corporate and Bridge Loans

1	Category A
6	Category B
0	Category C
Total = 7	

Citi had no EP Project Finance Advisories in 2018.

Funded Project Finance Loans Breakdown

By Sector	A	B	C	Total
Infrastructure	-	1	-	1
Oil, Gas and Petrochemicals	1	2	-	3
Power – Gas	-	1	-	1
Power – Wind	-	1	-	1

By Region	A	B	C	Total
Asia Pacific	-	-	-	0
Europe	-	-	-	0
Latin America	-	1	-	1
Middle East and Africa	1	-	-	1
U.S. and Canada	-	4	-	4

By Country Designation	A	B	C	Total
Designated*	-	4	-	4
Non-designated**	1	1	-	2

By Independent Review	A	B	C	Total
Yes	1	4	-	5
No	-	1	-	1

Funded Project-Related Corporate and Bridge Loans Breakdown

By Sector	A	B	C	Total
Chemicals	-	1	-	1
Infrastructure	-	1	-	1
Manufacturing	-	2	-	2
Oil, Gas and Petrochemicals	1	-	-	1
Power – Wind	-	2	-	2

By Region	A	B	C	Total
Asia Pacific	-	-	-	0
Europe	-	1	-	1
Latin America	-	1	-	1
Middle East and Africa	1	1	-	2
U.S. and Canada	-	3	-	3

By Country Designation	A	B	C	Total
Designated*	-	4	-	4
Non-designated**	1	2	-	3

By Independent Review	A	B	C	Total
Yes	1	2	-	3
No	-	4	-	4

* Designated Countries as defined by the Equator Principles are high-income OECD countries. See the [Equator Principles website](#) for more information.

** Non-designated Countries as defined by the Equator Principles are all non-OECD countries and all OECD countries not designated as high income.

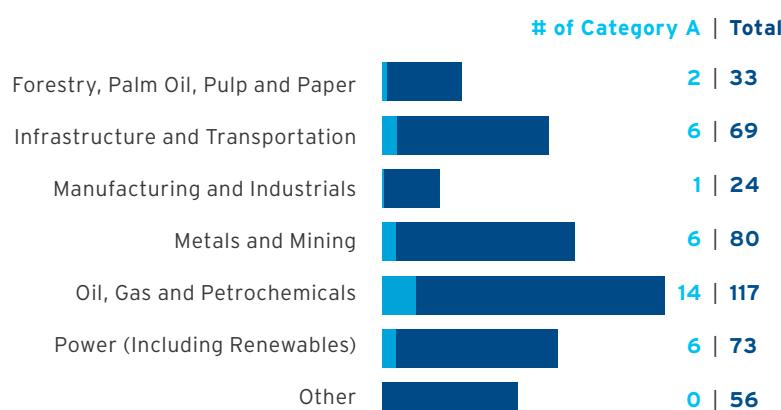
Transactions Receiving ESRM Review

The ESRM team is consulted in the early stages of potential transactions. These numbers show transactions screened by the ESRM team, regardless of whether they proceeded to financial close.

By Region



By Sector



By Product Type



Total Transactions Receiving ESRM Review



* General Review (GR) is used for corporate reviews and transactions for general corporate purposes.



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Human Rights

We conduct human rights risk analysis and due diligence and regularly engage stakeholders to ensure that human rights considerations are taken into account across our business. Our policies and commitments to respect human rights, such as our Statement on Human Rights, help protect our employees, provide guidance to our suppliers and inform our business decisions – including what we choose to finance and the conditions we place on that financing. Each new transaction or client engagement that raises a human rights risk allows us to learn more about the challenges different industries face in respecting human rights and gives us an opportunity to enhance our practices and those of our clients.

Our Commitment to Respect Human Rights

Citi is committed to respecting human rights wherever we do business, regardless of the degree to which governments are upholding their duty to protect, respect and fulfill human rights. We engage human rights experts, clients and peers to help implement our respect for human rights in line with the UN Guiding Principles on Business and Human Rights – a global framework for preventing and addressing the risk of adverse impacts on human rights linked to business activity. The UN Guiding Principles draw upon existing international human rights instruments whose principles we endorsed years ago, such as those in the UN Universal Declaration of Human Rights and the International Labour Organization's Core Conventions regarding child labor, forced labor, freedom of association, the right to organize and bargain collectively, and equal pay and nondiscrimination in the workforce. To increase transparency, we have prepared our Global Citizenship Report in accordance with the UN Guiding Principles Reporting Framework for the last three years (see this year's index).

Citi regularly updates our policies and practices to strengthen our human rights due diligence. During the development and subsequent updates of our Statement on Human Rights, which we first adopted in 2007, we engaged internal and external stakeholders to help assess our actual and potential adverse human rights impacts and to identify the most salient human rights risks faced by our employees, workers connected to our supply chain and individuals who might be impacted by our clients' operations. We published the most recent update to our Statement on Human Rights in November 2018. Highlights of that update include:

- An expanded list of salient human rights risks, including longstanding issues and emerging risks that have grown in prominence over the last several years
- Additional information about how we identify and prioritize salient human rights risks, our due diligence processes and our efforts to respect human rights throughout our value chain
- Reference to our new policy commitments on commercial firearms in the U.S., including military equipment financing, which prohibits the financing or shipment of lethal military equipment, including cluster munitions

- Updated language for our Indigenous Peoples consultation and consent requirements to reflect changes we made to our Environmental and Social Risk Management (ESRM) Policy in 2017
- Recognition of the importance of human rights defenders in due diligence efforts and our aspiration to raise concerns with clients when allegations are made regarding the repression of defenders in connection with client operations
- A new section to address access to effective remedy, including as it relates to our operations and role as an employer and as it relates to impacts that occur through our business relationships with clients

Our handling of salient human rights risks is regularly communicated to senior management and our Board of Directors. For more information about our governance of citizenship issues, including human rights, see the [Citizenship Governance at Citi](#) section.

In addition to our formal Statement on Human Rights, Citi's ESRM Policy, adopted in 2003 and summarized in our [Environmental and Social Policy Framework](#), guides our approach to assessing environmental and social issues related to financing our clients' business activities. For more information about our ESRM Policy and related due diligence processes, see the [Environmental and Social Risk Management](#) section.

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Our Salient Human Rights Risks

Human rights is one of our most [material citizenship issues](#). We have spent more than a decade working on the most salient human rights risks related to our business – those that pose the greatest risk to people – including the activities of our clients

Salient Human Rights Risks: Stakeholder Impacts

This table illustrates which stakeholders could be impacted by the human rights risks we have identified as most salient to our company, including risks related to our own operations and the activities of our clients. Shaded risks are those that were most recently identified as salient in the 2018 update of our Statement on Human Rights. Additional context about these risks and the due diligence processes we have in place to identify and mitigate human rights risks in our value chain can be found in the [Statement](#).

Human Rights Risks	Citi's Employees	Suppliers' Employees	Customers and Clients	Those Affected by Clients' Projects
Conflict risk				●
Indigenous Peoples				●
Labor practices (including discrimination and modern slavery)	●	●	●	●
Resettlement				●
Security practices				●
Adequate standard of living; right to property			●	
Discrimination in provision of financial services			●	
Diversity and inclusion	●	●		
Information security; privacy	●		●	



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and other business partners. We identified most of these risks under our ESRM Policy as "Areas of High Caution" several years before the advent of the UN Guiding Principles. To identify these areas, we focused on the most severe potential risks posed to people by our clients' activities, particularly in the context of project finance. Our work to address these risks has included helping to found and govern the [Equator Principles](#) framework to enhance and standardize risk management across the banking sector, establishing an internal ESRM team, and developing our risk identification and mitigation policies and procedures. (See [page 71](#) for more about how we manage these risks.)

While our formal risk management processes give us more leverage when we are directly financing a project, we also identify and address human rights risks that could arise across our value chain. With the latest update to our Statement on Human Rights, we have formally recognized many of those issues as salient human rights risks for our company, including discrimination in employment practices and the provision of financial services; adequate standard of living and right to property; the need to safeguard the privacy of information shared with us by our employees and customers; and more. Citi has longstanding policies, procedures and programs to address these issues.

Respecting the Human Rights of Our Employees

Every Citi employee is expected to adhere to our [Code of Conduct](#), which includes a commitment to human rights, and to participate in relevant training. Our Code of Conduct prohibits unlawful discrimination, harassment and other behaviors that infringe on individual rights. This policy applies to all employees, as well as to suppliers, clients and community partners globally.

Diversity and inclusion issues are not always discussed in terms of human rights, but they are essential to human dignity, which human rights aim to protect. Respect for diversity and inclusion is a high priority wherever we operate and can become a particular concern in countries where there is no legal protection against discrimination based on gender, gender identity, race, ethnicity, age, religion, physical or mental disability or medical condition, or sexual orientation, in addition to a range of other essential characteristics inherent to identity and personhood. Citi prohibits discrimination and harassment of our employees in all forms regardless of whether or not individual protections are legally mandated in the countries and communities where we operate. In fact, we know that even in locations where anti-discrimination laws exist, there is still a need for companies to ensure they are doing their part to respect individual rights.

In 2018, recognizing a need to increase diversity at all levels of our company, we established goals to increase the percentage of female colleagues globally and black colleagues in the U.S. in roles ranging from assistant vice president to managing director. Citi also signed the [Business Statement for Transgender Equality](#), and we began expanding insurance coverage and other benefits, already available to LGBT+ partners in the U.S., to LGBT+ partners globally wherever such benefits are permitted by law. Learn more about diversity and inclusion at Citi in the [Talent and Diversity section](#).

We work to provide a respectful and inclusive work environment, and we investigate and take action on all alleged violations. We encourage our employees with concerns to use Citi's grievance mechanism, the [Ethics Hotline](#). The hotline is open to external parties and available in several formats and languages.

Freedom of Association

While the financial services industry is not heavily unionized, we do have unions or work councils in many of the countries where we operate. Approximately 12 percent of our employee population is covered by collective bargaining agreements. We engage directly with our employees and through these associations to discuss issues such as health and safety, remuneration, work hours, training, career development, work time flexibility and equal opportunity. Information related to freedom of association is communicated to employees through various mediums, including employee handbooks, our intranet and employee emails.

● GRI 102-41

Extending Respect for Human Rights Through Our Suppliers and Partners

Our nondiscrimination policies extend to Citi's and the Citi Foundation's philanthropic activity and to Citi's suppliers. We do not provide funding to organizations that discriminate on the basis of personal characteristics, such as gender, race and sexual orientation, among others. Our suppliers are expected to adhere to Citi standards, including those related to human rights, as outlined in our [Statement of Supplier Principles](#) and in our Supplier Standards. These expectations are reinforced by our Corporate Responsibility Questionnaire (CRQ), which helps our

procurement team determine how well potential and current suppliers manage environmental, social and governance issues, including human rights issues.

In 2018, we released our second [UK Modern Slavery Act transparency statement](#). The statement summarizes our approach to identifying and mitigating the risks of modern slavery in our operations – including client transactions – and in our supply chain. It covers information about our governance and policies related to modern slavery, risk assessment and due diligence processes, and training. In our latest statement, we provided a great deal of transparency related to our activities and assessments, including a breakdown by risk level and sector of the findings of a 2017 risk assessment of our Tier 1 suppliers at certain spend thresholds in the Europe, Middle East and Africa (EMEA) region. In 2018, we followed up on this risk assessment to engage with the suppliers deemed of greatest risk based on the combination of their sector and geographic location to better understand their approach to managing these risks. Our CRQ for the EMEA region, which we send to all Tier 1 and Tier 2 suppliers regardless of spend, also now includes questions specific to modern slavery concerns, and we are planning to implement these questions across other regions as well.

The work we do to fight modern slavery throughout our value chain, along with our related reporting, policies, due diligence and risk assessments, demonstrates Citi's commitment to **SDG 8**, which aims to **promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**. In particular, our work in these areas addresses target **8.7**, which includes a mandate to **eradicate forced labor, end modern slavery and human trafficking and end child labor in all its forms**.



SDG Goal 8: Decent Work and Economic Growth

As with our employees, suppliers are encouraged to use Citi's Ethics Hotline to raise concerns. For more information on our supply chain, see the [Operations and Supply Chain](#) section.



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Respecting Human Rights in Our Financing Decisions

The challenge of effectively evaluating human rights risks related to our clients and the projects we finance is significant. We work diligently to meet this challenge and respect the human rights of the individuals and communities impacted by the projects we finance.

Our U.S. Commercial Firearms Policy, adopted in 2018, is one example of how Citi can have an influence on the protection of human rights. Under this policy, we require clients or partners that are U.S. firearms retailers or firearms manufacturers that sell through U.S. retail channels to adhere to a set of best practices regarding the sale of firearms. For retailers, these practices include only selling firearms to individuals who have completed a background check, not selling high-capacity magazines or bump stocks (which modify semi-automatic firearms to fire faster, at rates comparable to fully automatic firearms) and selling firearms to individuals under age 21 only if they have received firearms safety training (e.g., as part of active or former military or law enforcement employment or via hunter safety training). For manufacturers, best practice entails only selling firearms to retailers who are following these same practices.

Another opportunity we have to thwart human rights abuses is through our anti-money laundering efforts, which help us prevent criminally sourced funds – including funds associated with human rights abuses, such as human trafficking – from passing through our bank. Our ability to disrupt the flow of money to those perpetrating human rights abuses and to deny those abusers safe harbor for illicit proceeds tied to corruption or human rights violations is an effective way to undermine their efforts.

While these two examples illustrate our ability to proactively avoid business transactions with adverse human rights impacts, there are other situations in which the link between our financial services and

adverse human rights impacts is less direct. That complexity may mean we have less leverage, and it diminishes our ability to ensure that on-the-ground outcomes are consistent with Citi's values. In these instances, we work to improve our clients' awareness and business practices. In addition, where a transaction's financial and legal structure allows it, we put loan covenants in place and monitor mitigation efforts through ESRM systems and corrective action plans.

Human Rights Due Diligence in Client Transactions

Citi has thousands of corporate and institutional clients. The UN Guiding Principles acknowledge the challenges posed by having such extensive business relationships, and we have adopted the approach set out in the Principles of prioritizing our due diligence and risk mitigation first to areas where the risk of adverse human rights impact is most significant from the perspective of people who could be affected. We use our ESRM Policy, where applicable, to assess and manage risks consistently and evaluate client projects and activities against a common set of environmental and social standards grounded in international best practice, including human rights norms and the International Finance Corporation's Performance Standards. In addition, for certain qualifying projects, we apply the Equator Principles (EP) to assess and manage environmental and social risks. The EP framework includes an assessment of the project sponsor's stakeholder engagement process, as well as its operational-level grievance mechanisms for affected communities to raise concerns proactively with the project developers.

Our ESRM team screens transactions covered by our ESRM Policy during the initial marketing phase to identify any client activities we believe pose heightened risks to workers or local communities. Our policy prohibits financing any project for which our due diligence indicates a risk of harmful or exploitative forms of forced labor or child labor or when the relevant labor forces have been subjected to human trafficking. In addition, the policy covers Areas of High Caution – heightened environmental and social risks that require closer due diligence and additional risk management. These issues were the

initial salient human rights risks we identified related to our corporate and investment banking clients' activities. They include the following:

- **Conflict risk:** Certain sectors may present a greater degree of project-induced conflict risk, which may be tied to competition for resources or land. In such cases, Citi carefully assesses key conflict factors such as sources of tension and root causes of conflict, actors and their interests and development needs and incentives to address such risk in the project's area of influence.
- **Indigenous Peoples:** Various concerns can arise regarding the extent to which indigenous communities are consulted during project development and have consented to impacts to their land, livelihood and cultural heritage.
- **Labor:** There are risks related to labor forces used in the construction of projects or other operations, including risks associated with forced labor, child labor and human trafficking by project operators and their subcontractors.
- **Resettlement:** The resettlement of local communities, including indigenous groups, can be necessary for project implementation. When this occurs, it should be conducted through carefully designed resettlement action plans that are reviewed by project lenders in advance of implementation and should, where necessary, include efforts toward achieving the free, prior and informed consent of indigenous communities.
- **Security practices:** Security concerns relating to how project sponsors engage with public or private security forces protecting project sites can arise. In such circumstances, if we decide to proceed with financing, we will advise project sponsors on the implementation of international standards, such as those in the Voluntary Principles on Security and Human Rights.

If during our initial screening or more extensive due diligence for a transaction we find there is a risk of adverse impacts, we carefully evaluate the client's current commitment and capacity to avoid, mitigate and/or manage those impacts in accordance with international industry best practices and their willingness to engage in continual learning and improvement.

We escalate the most challenging cases with the potential for severe adverse impacts to senior business and risk managers for collective discussion on the risks and the client's commitment and capacity. In some cases, senior management will conclude that the likelihood for adverse impacts is too great – posing an imminent threat to people or communities – and we will re-evaluate the client relationship or decline involvement in the transaction. This is a move we take very seriously as we recognize that terminating the relationship can have a number of ramifications, including removing any leverage we might otherwise have had to improve practices over time through constructive engagement.

After the financial close of project-related transactions that have time-bound environmental and social action plans, we monitor the project sponsor's implementation of those actions through the construction and operation phases of the project – often through the retention of an independent environmental and social risk consultant who periodically reports to lenders following on-the-ground audits. For more information, see the Environmental and Social Risk Management section.

Transactions Reviewed Under Citi's Statement on Human Rights

In 2018, the ESRM team screened 452 total transactions during the initial marketing phase, and of those, 37 were flagged as requiring additional due diligence for human rights risks. This screening does not include other human rights risk assessments the ESRM team undertakes as part of annual client reviews or portfolio reviews. The specific types of risks we uncovered are outlined in the table on the following page. Of the 37 transactions flagged for additional human rights due diligence, 11 proceeded to close after we confirmed the clients were managing and mitigating the potential risk appropriately. Transactions may not reach financial close for a number of reasons, not solely due to ESRM review.

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Identifying Human Rights Risks in Transactions*

Human Rights Risks	Reviewed in 2018	Closed in 2018
Conflict Risk	8	2
Indigenous Peoples	19	5
Labor Risks	7	2
Resettlement	13	4
Security Practices	2	0
Water	7	2
Total Transactions	37	11

* One transaction may have more than one human rights risk.

► Applying Our Policies to Protect Human Rights and Reduce Risk

When our due diligence processes uncover the risk of human rights violations in potential or established client relationships, we investigate further and, when necessary, engage with our clients to better understand their approach to managing such risks. When needed, we work with them to identify corrective action in alignment with international best practices. For example, during our monitoring of continuing relationships with two clients in Brazil, our local ESRM Champions discovered that the clients had been placed on the Brazilian labor ministry's registry of companies believed to be involved in the use of slave labor. After further engagement with the companies, we learned that the allegations were related to past practices among subcontractors from several years prior. Since the initial allegations were raised, the companies had, in both instances, significantly changed their approach to supply chain management and were in the process of being expunged from the registry.

After confirming that the labor ministry agreed that the clients' practices had improved, we allowed the transactions for general corporate financing to proceed.

If proactive management of human rights risks is not possible, we might re-evaluate the client relationship or deny financing or involvement in a particular transaction. Examples from 2018 include the following:

- We declined to participate in a natural gas project in South America where we found a history of violent conflict between companies seeking to develop the area and local Indigenous Peoples who expressed clear opposition to development.
- We exited two client relationships in the palm oil sector, one in Asia and one in Africa, due to concerns of forced labor and child labor on palm oil plantations.

Providing Access to Remedy

The UN Guiding Principles call on governments and companies to play their respective roles in ensuring that victims of human rights abuse have access to effective remedies. Remedy can take many different forms, including apologies, financial or non-financial compensation or efforts to prevent future harm through policy commitments and changes in operational practice. The purpose of remedy is to help make victims whole again or to restore them, as much as possible, to their lives and enjoyment of their rights before those rights were violated. Remedy can also help ensure that they and others will not suffer similar harms in the future.

As a financial institution, our approach to remedy usually involves working with clients to ensure they have the right policies in place and channels available to enable victims to lodge grievances. In addition, these companies must follow up on allegations and have established processes to offer remedies or cooperate with authorities to make sure effective remedy is provided.

Engaging Stakeholders on Human Rights

To ensure that we are living up to our commitment to respect human rights and anticipate emerging risks, we regularly communicate our approach externally and engage with stakeholders on their issues of concern. In addition, we pay close attention to human rights issues raised by stakeholders within specific industries, such as forestry and palm oil. We engage with these industries directly through client relationships, stakeholder meetings and active participation in groups such as the Roundtable on Sustainable Palm Oil (RSPO). By engaging bilaterally with multiple stakeholders connected to a value chain, we are able to enhance our leverage and potentially improve the collective effort of those connected to particular commodities, industries or risks. For more information about our engagement with the RSPO, see the [Environmental and Social Risk Management section](#).

While in recent years banks have come under increasing pressure to disclose specific findings related to client projects, we are bound by legal requirements and business ethics related to confidentiality that limit our ability to disclose such information without client consent. Addressing requests for transparency will continue to be a balancing act between protecting the confidentiality of our clients' information and disclosing information to stakeholders as appropriate to advance the protection of human rights. In 2018, we responded both informally and in writing to a variety of human rights inquiries regarding our financing activities and our general due diligence practices. These inquiries came from nongovernmental organizations such as BankTrack, the Business and Human Rights Resource Centre, Earthworks, Friends of the Earth, Greenpeace, Mining Watch Canada, Oxfam and the Sierra Club.

→ What's Ahead

Building on our existing efforts and feeding into our ESRM Watchlist process, we will identify salient human rights risks in other sectors outside of those regularly reviewed under our ESRM Policy. We will conduct dedicated reviews of the corporate practices of clients in those portfolios to identify adverse human rights risks, with particular attention to those sectors' salient human rights risks.

We also plan to expand our engagement with our highest-risk suppliers on their efforts to identify and mitigate the risks of modern slavery in their operations and supply chains and to systematize our training on modern slavery for relevant personnel in our Enterprise Supply Chain function.

- GRI 102-42, GRI 102-43



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Operations and Supply Chain

With operations that span the globe and thousands of suppliers worldwide, Citi has a tremendous opportunity for positive impact and a significant responsibility to uphold the commitments in our Sustainable Progress Strategy,¹ which includes Operations and Supply Chain as one of its three pillars. We strive to manage these areas responsibly and efficiently by working with suppliers to improve the sustainability of their operations, taking steps to support diverse suppliers, including women-owned businesses, and continuing our efforts to minimize the environmental impacts of our operations – achieving several of our environmental footprint goals ahead of schedule.

Resource Use and Environmental Impacts

We have been measuring our environmental footprint for 20 years and began reporting on our direct operational impacts in 2002. During 2018, we continued executing on the strategies we put in place several years ago to meet our 2020 goals. Also, in recognition of the connection between environmental sustainability and employee well-being, we continued implementing improvements in our workspaces to advance progress in both these areas.

2020 Goals

As part of our Sustainable Progress Strategy, we have set ambitious goals to reduce our environmental impact and are currently tracking progress against our third generation of goals – our 2020 goals, which we first announced in 2015. Our operational goals cover energy use, water consumption, recycling, waste and green building, and, as of 2017, we also have a goal to use 100 percent renewable energy to power our facilities globally. In 2018, we achieved

three of our goals two years early. We were able to reach these goals ahead of schedule through ongoing, strategic efforts to improve environmental performance across our operations, as well as by prioritizing efficiency in our new and existing buildings.

In 2018, we made significant progress on the goal we set in 2017 to power all of Citi's facilities globally with renewable energy by 2020. We own or lease more than 52 million square feet of real estate in 95 countries, consisting of over 7,500 properties. To continue our progress toward meeting this ambitious goal, we are considering power purchase agreements, appropriate use of energy attribute certificates and on-site power, as well as continuing to focus on energy efficiency. In connection with this commitment, Citi is a member of RE100 – a global initiative led by The Climate Group and CDP, which are both part of the We Mean Business coalition.

Detailed data showing progress toward all of our 2020 goals are included at the end of this section. Our greenhouse gas (GHG) emissions and environmental data 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.

¹ For performance against our Sustainable Progress Strategy Scorecard, please see the report Appendices.

2020 Operational Footprint Goals: 2018 Progress



100%

use of renewable
energy for facilities globally

PROGRESS

62%*



30%

reduction in energy consumption
(compared with 2005 baseline)

PROGRESS

32%



33%

of global real estate portfolio
LEED-certified

PROGRESS

25%



30%

reduction in water consumption
(compared with 2005 baseline)

PROGRESS

33%



60%

diversion rate of waste to landfill
(compared with 2005 baseline)

PROGRESS

63%



10%

of water used coming from
reclaimed or recycled sources

PROGRESS

5%

* Contracted amount of renewable energy for delivery in 2020



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Sustainable Building Principles at Work

To help meet our energy consumption goal, we prioritize energy efficiency and renovate or retrofit existing facilities to minimize our energy needs. As part of our energy reduction efforts for our facilities in North America, we are retrofitting our branches, offices and operations centers with LED lighting. As of the end of 2018, 7.4 million square feet, representing 66 percent of the square footage of our offices and operations centers, had been retrofitted. We also completed lighting retrofits at 233 banking branches, representing 60 percent of eligible branch locations. We expect this retrofit, once complete, to reduce our energy consumption related to lighting by up to 50 percent. Switching to LED lighting also helps improve the overall quality of lighting and reduces maintenance costs.

In 2018, our Citibanamex branch in San Marcos, Mexico, became the first Citibanamex facility in Mexico with solar panels. The photovoltaic system has 34 solar panels that will meet 75 percent of the annual electricity needs of the branch. We have since installed solar panels at three additional branches in Mexico. Also during 2018, several Citibanamex branches received awards for excellence in energy consumption, and our headquarters in Mexico City received an efficiency score of 97 out

of a possible 100. These energy efficiency awards were given by the Mexican Energy Commission in coordination with the Energy Minister and GIZ, a German organization for international trade, cooperation and sustainable development.

The renovation of our global headquarters in New York, for which we plan to seek LEED Platinum certification, is on track to be completed by 2020. With this renovation, we are implementing systems to improve indoor air quality and capture rainwater from the building's roof, installing water-conserving plumbing fixtures and enhancing the green space outside the building. In addition, our cogeneration plant, fueled by natural gas, will produce heat and electricity on-site, reducing the building's carbon footprint by 30 percent.

Reducing the carbon footprint of our global headquarters is critical to meeting our initial commitment to the [NYC Carbon Challenge](#) for Commercial Owners, which we joined in 2017. In 2018, we announced our participation in the next phase of the challenge, which focuses on GHG reduction efforts for retail spaces. Citi is the only company to have joined more than one challenge.

Efficient Travel Options

We encourage employees to use video and web conferencing technologies rather than traveling, whenever possible. When business travel is unavoidable, we ask employees to group trips together to manage costs and reduce the number of trips taken, and we offer employees the option of train travel whenever feasible. Many of our offices are centrally located near public transportation, which reduces the need for employees to drive to work. To encourage the use of these options and reduce the impact of employee commuting, we offer U.S.-based employees pre-tax dollars to cover the cost of commuting by subway, bus, train, ferry and vanpool. We also offer bike storage and bike racks at a number of facilities and sponsor bike share programs, known as Citi Bike, in New York City, Jersey City and Miami. At our car park in the London Citigroup Center, we offer a dozen charging stations for those driving electric vehicles. Business travel and employee commuting are reported as part of our [Scope 3 emissions data](#).

► Citi Uses Solar Power for Branch in Nigeria

In Nigeria, sub-Saharan Africa's largest economy, rapid population growth, aging infrastructure and other challenges faced by developing nations make reliable access to power difficult. Many rely on fossil-fuel-powered generators as an alternative, a burden for the nation's 2015 commitment to reduce GHG emissions as part of the Paris Agreement and its efforts to move toward renewable energy. At Citi's newest branch in Nigeria, opened in 2018, we have installed 20 polycrystalline solar panels with a combined capacity of 6.4 kilowatts. Installation of the panels contributes to our efforts to transition to 100 percent renewable energy for our facilities globally by 2020. It has also reduced our reliance on backup fossil fuel generators at the branch, reducing GHG emissions and improving air quality in the vicinity.

Reducing Our Single-Use Plastic Waste



One of our 2020 goals is to increase the diversion rate of the waste we send to landfill. At the same time, we are striving to minimize the overall amount of waste we generate. Single-use plastic is one area where we've made a concerted effort. Roughly half of global consumer packaging is made of plastic.² However, environmental concerns over plastics disposal, plastic bans around the world at the local and national levels, and China's decision to stop importing plastic waste are disrupting the plastics industry. In 2018, Citi Global Perspectives & Solutions (Citi GPS) released a report titled *Rethinking Single-Use Plastics: Responding to a Sea Change in Consumer Behavior*. The report examines various issues related to single-use plastics, including environmental impacts, bans, the recycling industry, risks and opportunities for plastic producers, and alternatives to single-use plastics, such as metal, glass and paper.

We are taking action to reduce the waste associated with single-use plastics in many of our facilities around the world. For example, through our Drink-Up initiative, we've installed bottle-filling stations to encourage employees in the U.S. and Mexico to stop using single-use water bottles in favor of reusable alternatives. Based on the amount of water dispensed from these stations, we estimate that we've avoided the use of 5 million plastic bottles. We have also replaced plastic cups with reusable cups in our Belfast, Dublin, Edinburgh, London and Luxembourg offices; we've replaced plastic stirrers and straws with non-plastic alternatives in the U.S.; and in Russia, we've replaced all plastic cutlery and plastic bottles with reusable alternatives.

Citi employee using a bottle-filling station at our New York City headquarters.

² Citi Global Perspectives & Solutions, *Rethinking Single-Use Plastics: Responding to a Sea Change in Consumer Behavior* (August 2018), page 9, <https://ir.citi.com/klrKXyZJnFzVcxKt3M%2B8ZjE95%2B-42JwVomCDhiNLwPYpStDlxWT7eLP5gZY382k47rla%2BFVqkE2U%3D>.



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► Financing Agreement Supports Citi's Renewable Energy Goal

In 2018, Citi entered into an agreement that will supply clean, renewable energy to our operations in Texas. The power and renewable energy credits will come from the 163-megawatt Midway Wind Project in Texas, adding to our existing renewable energy supply and helping us to source renewable energy for 100 percent of our operations in North America beginning in 2020 – a significant step toward our broader goal of powering all of our facilities globally with renewable energy. The project also meets the requirements of RE100, a global initiative of more than 100 businesses that have renewable energy goals.

Sourcing renewable energy is just one part of our engagement with the project. In 2017, Citi provided a comprehensive financing package for the development, construction and operation of the Midway Wind Project. This transaction underscores Citi's ability to provide multiple sustainable and scalable



solutions, and the agreement to source renewable energy from Midway means that Citi has been involved in the project at every stage.

These financing services also contribute to our \$100 Billion Environmental Finance Goal – a commitment to finance and facilitate a total of \$100 billion over 10 years toward activities that reduce the impacts of climate change and create environmental solutions that benefit people and communities. Learn more about our \$100 billion goal in the [Environmental Finance section](#).

► Supporting Singapore's Year of Climate Action

Citi has a history of fostering environmental sustainability at our Asia Square Tower and Changi Citi Service Centre facilities in Singapore, including LEED certification, use of LED lighting for signage and the harvesting of rainwater at one of the buildings for landscaping. In 2018, we pledged to support Singapore's Year of Climate Action, introducing a number of green initiatives, including:

- A commitment to replace equipment that reaches its end of life with energy-efficient models
- Turning off non-critical lighting and air conditioning during weekday evening hours and using occupancy sensors to illuminate areas only as needed
- Converting the roof of one building into a garden for edible fruits and vegetation
- Forming a Green/Sustainability Committee to engage and educate Citi employees about climate action and recycling

During 2018, we met our operational footprint goals for Singapore, including a 5 percent reduction in energy use, a 2 percent reduction in water use and a 2 percent reduction in waste compared with 2017.

Asia Square Tower in Singapore.



Environmental Sustainability and Employee Well-Being

Wellness is an important aspect of sustainability in building design, alongside more traditional environmental considerations, such as energy and water efficiency and the use of green materials. When looking at how our buildings can affect the well-being of our employees, we consider air and water quality, opportunities to stay active, healthy food options, and a work environment that is both flexible and effective.

In 2018, our Phase 6C EON building in Pune, India, received WELL Silver certification from the International WELL Building Institute™. It is the first building in all of India and the second Citi facility in Asia Pacific to receive WELL certification. The WELL Building Standard is a system for measuring, certifying and monitoring building features that impact the health and well-being of occupants. Our Pune facility, which serves 300 Citi employees, features a design that encourages well-being through benefits such as vending machines with healthy food options, exercise programs, workspaces that limit harsh lighting and disruptive noise, desks that provide the ability to sit or stand during the day, and a healthy overall environment, including air quality and water purity.

We've also introduced initiatives for our employees that emphasize the intersection of personal well-being and reduced environmental impact. For instance, our Drink-Up initiative, mentioned previously, promotes hydration, but rather than stocking our breakrooms with disposable plastic water bottles, we are converting the water fountains at our facilities to also work as bottle-filling stations. Based on the amount of water dispensed via the bottle fillers, we have avoided the use of nearly 3 million water bottles in the U.S. and close to 2 million in Mexico since the program's inception in 2016.

Each year during Citi's Step Up Challenge, we encourage employees to use the stairs at our buildings as a way to increase daily physical activity and improve their health. Participating employees track how many flights they climb and the number of steps they take during walking breaks at work. During 2018, employees in 50 buildings across 17 countries logged 1.6 million steps and climbed 2,699 flights of stairs.

► Managing Climate Risk in Our Operations

The effects of climate change, particularly any associated extreme weather events, pose a potential risk to our operations. In addition to mitigating our risks by reducing GHG emissions through the use of renewable energy and improved energy efficiency, our Citi Realty Services group and crisis management and business continuity teams help us monitor, prepare for and respond to a range of issues – including extreme weather events – that could disrupt our operations. Because Citi operates in nearly 100 countries, our facilities could be exposed to a range of risks that vary in type based on the location of each facility. 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.

To avoid the most severe negative impacts of climate change, it is estimated we must limit global warming to no more than 2°C above pre-industrial levels, an amount that requires significant reductions in global GHG emissions. Citi has established a goal to transition to using 100 percent renewable energy for our facilities by 2020. In addition, we have set GHG reduction targets and disclosed our emissions for almost two decades. Disclosure of Scope 1, Scope 2 and Scope 3 GHG emissions is a component of the recommendations of the Task Force on Climate-related Financial Disclosures. Our disclosures can be found on [pages 89 and 90](#) of this report. In 2018, Citi published [Finance for a Climate-Resilient Future](#) – a detailed report of our activities and progress in accordance with the TCFD recommendations and metrics. We've also included a streamlined [TCFD index](#) in this report.





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Transparent Reporting of Operational Climate Impacts

Citi reports our Scope 1, Scope 2 and Scope 3 GHG emissions in both this annual Global Citizenship 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 carbon dioxide (CO₂) emissions from employee air and train travel and project-financed thermal power plants in our Global Citizenship Report, and Scope 3 electricity transmission loss and employee commuting data to CDP. In early 2019, Citi received a score of A- from CDP on our climate change impact reporting and an A for supply chain reporting, for 2017 data.

Employee Engagement

We work to engage employees in achieving our environmental sustainability objectives in their day-to-day activities and responsibilities at work, as well as through volunteer efforts and Green Team activities.

Green Teams are employee-led groups that design and lead positive environmental initiatives tailored to their workplaces and local communities, such as recycling drives, volunteer projects, informative lectures and awareness campaigns. We have 21 Green Teams, with more than 1,800 employees, operating around the world. In 2018, these Green Teams



The NYC Green Team cleaning up parks for Earth Day.

held 247 volunteer and educational events, resulting in more than 5,200 volunteer hours dedicated to helping communities.

Each year, our company participates in World Wildlife Fund's Earth Hour. In March 2018, more than 2,800 Citi facilities in 99 countries turned off the lights between 8:30 p.m. and 9:30 p.m., local time. Citi has participated in this event for 11 consecutive years, and during 2018, we achieved record participation rates, with more than 88 percent of facilities joining in.

During April, Citi launched an EcoChallenge campaign for Green Team members, encouraging participants to take simple steps over the course of two weeks to make a meaningful environmental or social difference. Close to 900 Green Team members participated, committing to actions such as reducing the amount of energy they used, using public transit to get to work and recycling water bottles. In addition, in recognition of Earth Day, Citi hosted environmental and sustainability events during the month of April. Employees organized more than 120 events across all Citi regions, and more than 580 employees globally participated. For example:

- More than 110 volunteers in Mexico City, Mexico, collected 630 pounds of garbage and supported the local ecology by helping to plant and maintain trees and create fertilizer from compost.
- Volunteers in San José, Costa Rica, held a recycling drive, helping to collect and divert more than 440 pounds of trash from the landfill.
- More than 330 volunteers in St. Louis, Missouri, recycled 80 pounds of holiday lights, 720 pounds of paper and 2,300 pounds of personal electronics.



Green Team participating in park revitalization on Global Community Day.

Responsible Sourcing

Responsible sourcing is a critical part of the Operations and Supply Chain pillar of our Sustainable Progress Strategy, and we set high standards of performance across our global supply chain. We also strive to engage a diverse set of suppliers and provide opportunities for them to partner with us in delivering products and services to our clients.

Enterprise Supply Chain

Our Enterprise Supply Chain (ESC) team works with our business units to support the supplier selection process, implement sustainable supplier initiatives and mitigate environmental and social risks in our supply chain. In 2015, we identified three priority areas in our supply chain to focus on through our third-party utilities process as part of our Sustainable Progress Strategy: paper and paper products, information technology hardware and e-waste disposal, and travel and logistics. Position statements that provide guidance on implementation procedures for each of these topics have been developed and incorporated into ESC's Global Operating Procedures. During 2018, we continued to engage senior leaders and teams across the company to incorporate these statements into policy, in an effort to build awareness and accountability and establish best practices related to these focus areas throughout the business.

Supplier Engagement and Evaluation

The goods and services that our suppliers provide are critical to our ability to operate. Engaging with our suppliers on environmental, social and governance issues is essential to operating responsibly, meeting our own sustainability goals and managing expenses. We seek out suppliers that share our values and our commitment to having a positive impact in the communities where we operate.

➤ Digitizing the Supply Chain

Innovation/digitization is a material issue for Citi and is critical to our ability to remain competitive and deliver value to our clients and customers. We also turn to advanced technology to continually improve processes and reporting within our supply chain and deliver integrated, accessible solutions for our suppliers.

Citi's ESC team is using emerging technologies to transform our supply chain into an integrated, secure ecosystem that processes transactions efficiently, ensures the accuracy of data and automates workflows from sourcing through payments. Our goal is to deliver a state-of-the-art supply chain experience by providing our suppliers with faster, smarter and more efficient ways of doing business with Citi while maintaining strong operational controls.

In 2018, we implemented the Citi iSupplier Portal, which enables real-time interaction and collaboration between suppliers and Citi, including the ability to view purchase orders and invoices and check the status of payments. In addition, we have enhanced our electronic invoice submission by ensuring that multiple channels and options for billing and payment are available to support our diverse supplier base across geographies.

As we move forward, our ESC team will continue to increase efficiencies, leverage automation and machine learning, and embrace innovation as a competitive advantage to fully digitize our supply chain from end to end.



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We work to clearly communicate our expectations to suppliers regarding environmental and social issues, and we leverage a number of standards and policies to provide support for our efforts, including the following:

- Our [Statement of Supplier Principles](#) outlines the ethical, human rights and environmental standards we expect from our suppliers.
- Our [Standards for Suppliers](#) provide guidance across 11 general policy areas, including accessibility and diversity, ethical conduct, information security and more.
- Suppliers are also asked to abide by the [Citi Statement on Human Rights](#). For more information about our approach to human rights, see the [Human Rights section](#).
- Citi complies with the UK Modern Slavery Act and releases an annual [transparency statement](#) summarizing our approach to identifying and mitigating the risks of modern slavery in our operations and supply chain.

We use our Corporate Responsibility Questionnaire (CRQ) to evaluate suppliers' adherence to our Statement of Supplier Principles and Citi Code of Conduct and to gauge how well suppliers manage a range of issues, such as environmental management, human rights, labor practices, diversity, and health and safety. In 2018, we integrated a wider scope of diversity-related questions for suppliers that provide products and services to Citi across multiple regions. In addition, the CRQ for our Europe, Middle East and Africa region includes specific questions intended to help in our efforts to identify and contribute to eradicating child labor and the set of practices known as modern slavery, including forced or bonded labor and human trafficking. We are continuing to lay the groundwork to implement these questions across other regions as well.

Integrating these questions into our CRQ and our broader work to address the issue of modern slavery is part of the way Citi supports **SDG 8**, which aims to **promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**. In particular, our work in

this area addresses target **8.7**, which includes a mandate to **eradicate forced labor, end modern slavery and human trafficking and end child labor in all its forms**.



SDG Goal 8: Decent Work and Economic Growth

Because of our global footprint, we rely on our network of Global Champions – Citi colleagues around the world who serve as connections between their businesses and supply chain sustainability and diversity efforts – to help us implement sustainable supplier initiatives locally and adapt the CRQ to local cultures and business norms. We also translate the CRQ into 14 languages to make it easier for suppliers to complete and to enable productive follow-up conversations.

We typically ask suppliers to fill out the CRQ every two years. If a supplier's CRQ score is below 70 percent, we communicate our concerns to the supplier and our regional sourcing manager and ask the supplier to take action steps to improve and submit a CRQ again the following year. In 2018, 6 percent of suppliers scored 70 percent or lower on the CRQ. We often find that additional training and face-to-face dialogue can help suppliers better understand the CRQ and our expectations so they can quickly address any issues that we have flagged related to their responses. With this in mind, we meet with suppliers that fall below the 70 percent threshold to review their CRQs, discuss the factors that led to their scores and outline steps necessary to improve these scores within the year when they resubmit. If the necessary improvement is not achieved within that year, we escalate review to determine whether the contract should be discontinued. To ensure a consistent approach and understanding of the CRQ process and supplier evaluation, we provide training for our employees. We also provide sustainability training and education to suppliers.

In 2018, we focused on enhancing accountability related to the CRQ across our supply chain, ensuring that it is firmly embedded in the supplier selection process and strongly tied to our risk assessment processes and that we're taking full advantage of the opportunity it provides to engage with suppliers to help improve performance.

2018 CRQ Implementation

- CRQ Surveys Completed
- Suppliers Scoring 70% or Lower

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Languages in which the CRQ is available

- Arabic
- English
- French
- German
- Hungarian
- Italian
- Japanese
- Korean
- Portuguese
- Russian
- Spanish
- Turkish
- Simplified Chinese (China)
- Traditional Chinese (Taiwan)



Supplier Diversity

A key priority within our sustainable supply chain efforts is ensuring that we source from diverse suppliers where possible. Our ESC organization sets clear supplier diversity goals and embeds them in our supplier selection processes. In addition, the Citi Supply Chain Development, Inclusion and Sustainability Program gives U.S. small businesses and women-, veteran-, disability-, LGBT+ and minority-owned firms access to business opportunities, education, mentoring and training. Working with a range of supplier-focused organizations, we identify diverse suppliers, including small businesses, that can meet our supply chain needs and then help build these suppliers' capacity. Our senior leadership strongly supports increasing the diversity of our supply chain.

During 2018, we were able to strengthen our overall planning and strategic focus in this area and increase opportunities for diverse supplier inclusion.

In 2018, we began a technology upgrade that gives all ESC employees access to additional supplier diversity data and analytics. This new tool provides access to new supplier diversity information, enriches existing data and creates opportunities to consider additional certified diverse suppliers. The technology also provides the necessary data to support measurable, sustainable goals to further advance our diversity efforts. For every bid over \$250,000, we now require the inclusion of diverse suppliers in the bidding process. This requirement ensures that diverse suppliers are considered not only for small engagements, but for large ones as well.



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Citi has pledged to procure \$100 million from women-owned businesses, especially from firms located in developing markets. To support this commitment, in 2018 we worked with partner organizations – such as WEConnect International, global affiliates of the National Minority Supplier Development Council, UN Women and local chambers of commerce – to identify businesses that have registered as women-owned through these organizations. We engaged directly with partners to begin the process of reviewing and evaluating women-owned businesses and their capabilities in Europe, Latin America, Africa and other regions. During the year, we also worked to clarify which existing Citi suppliers are women-owned and, of those, which ones are either already members of WEConnect or might be interested in joining. Businesses that register through WEConnect can be more easily identified by companies globally that are seeking out women-owned businesses. In 2018, we procured \$185 million from women-owned businesses.

In addition to our procurement efforts in support of women-owned businesses, we participated in a gender-equality-focused forum in 2018. Participants generated insight and information important for the integration of women-owned businesses into the sourcing selection process and developed 11 related recommendations for the G20, including supporting entrepreneurship, trade and procurement.

Our efforts to support women-owned businesses aligns with **SDG 5: Achieve gender equality and empower all women and girls.** In particular, our work in this area helps address target **5.5**, which aims to **ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.**



SDG Goal 5: Gender Equality

In addition to the engagement described earlier as part of our \$100 million pledge, we work collaboratively with other organizations to help strengthen our own supplier diversity efforts and advance the conversation more broadly. For example, we hosted “Doing Business with Citi” sessions in Chennai, India, and Johannesburg, South Africa, marking the first time we’ve offered the sessions outside the U.S. The sessions included Citi senior leaders and provided an overview of Citi to the participating vendors, highlighting key factors that should be considered when engaging with a company like Citi. In addition, we participated in matchmaking sessions in Costa Rica and Mexico in conjunction with WEConnect International to expand our network to potential new local vendors.

Partnerships are critical to expanding our supplier diversity efforts, particularly outside the U.S. In 2018, we continued our engagement with Supply Nation in Australia and maintained our memberships with Minority Supplier Development UK, the Canadian Aboriginal and Minority Supplier Council and WEConnect International. For each of these partnerships, a designated regional champion from Citi oversees and supports the relationship on a local basis.

\$984.5M

Total amount spent on Tier 1 and Tier 2 diverse suppliers in 2018 (\$703.8 million direct spend on Tier 1 only)

Building the Capacity of Diverse Suppliers

Citi works to build supplier capacity through training and development opportunities. One of our priorities is to ensure that small and diverse businesses have the training they need to compete with more established firms. In particular, in 2018, we focused on helping to build capacity in the area of sustainability so that a lack of knowledge in that area doesn't become a roadblock to completing our CRQ or other requirements for working with Citi.

Also in 2018, we began the second round of an in-depth mentoring and training program, called AC2A, in partnership with the New York & New Jersey Minority Supplier Development Council, Rutgers University, Covenant Business Concepts and other corporate sponsors. Through our participation in this program, Citi continued to work with diverse suppliers and other corporate coaches to ensure that diverse suppliers have access to information through workshops about sustainability, leadership development and coaching. Mentoring is also an important aspect that elevates a peer-to-peer approach. This is the fourth year Citi has participated in the program.

Each year, Citi reserves a scholarship for an emerging or established minority business enterprise. In 2017, for example, we supported a millennial entrepreneur via the Emerging Young Leaders program. In 2018, we extended this scholarship to our global affiliates, and a diverse candidate was nominated and selected via the Minority Supplier Development UK program to participate in the Minority Business Enterprise Program run by the Tuck School of Business at Dartmouth College.

→ What's Ahead

Even though we have met several of our environmental goals, we will continue in our efforts to minimize Citi's environmental footprint. We will also continue to work toward meeting our goal to use 100 percent renewable energy for our facilities by securing renewable energy contracts, incorporating on-site generation and looking for innovative solutions where renewable power is not readily available.

In our supply chain, we will continue to bolster supplier diversity – in the U.S. striving to include diverse suppliers in larger bids, and in developing markets, where providing opportunities to women-owned small businesses can be challenging, working to build the capacity of our local colleagues to source these supplier relationships and providing support where necessary to help them adopt best practices and grow.

As we approach completion of the goals we set as part of our Sustainable Progress Strategy, we are looking ahead to define a strategy for the next decade that meets evolving employee needs for a sustainable workplace, the need for rapid action in response to climate change and our commitment to maintain a diverse and responsible supply chain.



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Environmental Performance for Operations

Progress Against 2020 Goals

2020 Goal	Progress
100% use of renewable energy for facilities globally	62.0%*
30% reduction in energy consumption (compared with 2005 baseline)	32.0%
30% reduction in water consumption (compared with 2005 baseline)	32.7%
10% of water used coming from recycled/reclaimed sources	5.4%
60% diversion rate of waste to landfill (compared with 2005 baseline)	62.9%
33% of global real estate portfolio LEED-certified	24.6%

LEED-Certified Buildings by Region**

Region	Certified	Silver	Gold	Platinum	Total
North America	26	30	68	1	125
Latin America	1	3	5	0	9
Asia Pacific	4	13	40	12	69
Europe, Middle East and Africa	2	4	20	9	35
Total	33	50	133	22	238

LEED-Certified Buildings by Building Type**

Building Type	2014	2015	2016	2017	2018
Data Centers (DC)	0	0	1	1	0
DC File Storage	0	0	0	0	0
Office Buildings	13	14	7	12	10
Operational Centers	3	1	1	3	1
Branches	23	10	23	4	1
Total	39	25	32	20	12
Cumulative Total***	149	174	206	226	238

* Represents contracted amount of renewable energy for delivery in 2020.

** Based on the active buildings in the portfolio by year-end 2018 and excludes projects for inactive and disposed buildings.

*** Includes buildings certified prior to 2014.

GHG Emissions (Scopes 1 & 2) by Region

Region	Scope 1 CO ₂ e	Scope 2 CO ₂ e	Total CO ₂ e		
	(mt)	Location-Based (mt)	Market-Based [†] (mt)	Location-Based (mt)	Market-Based (mt)
North America	15,203	287,441	188,983	302,644	204,186
Latin America	2,081	116,644	89,484	118,725	91,565
Asia Pacific	1,406	175,042	173,212	176,448	174,618
Europe, Middle East and Africa	3,617	56,218	45,304	59,835	48,921

Regional Operational Environmental Performance

Region	GHG Emissions		Total Consumption		Total Waste
	Location-Based (mt)	Market-Based (mt)	Energy (GWh)	Water (m ³)	(mt)
North America	302,644	204,186	772	2,325,379	16,202
Latin America	118,725	91,565	283	1,011,169	10,785
Asia Pacific	176,448	174,618	287	759,690	5,536
Europe, Middle East and Africa	59,835	48,921	179	383,601	4,185

Electricity Consumption Amounts Applied to Market-Based Emission Factor Types

Emission Factor Basis	Electricity (kWh)	Steam (kWh)	Chilled Water (kWh)	Total (kWh)	% of Total Consumption
RECs or Other Energy Attribute Certificate	224,623,546	0	0	224,623,546	16%
PPA or Source Contract	148,010,707	0	0	148,010,707	10%
Supplier Specific	29,686,507	0	6,656,528	36,343,035	3%
Steam Default	0	24,877,594	0	24,877,594	2%
Residual Mix	458,423,691	0	1,266,874	459,690,565	32%
Grid Average	508,011,411	0	19,693,197	527,704,608	37%
Total	1,368,755,861	24,877,594	27,616,599	1,421,250,054	100%

[†] The Scope 2 Quality Criteria have been met for the instruments used in the calculation.

Figures may not sum to total due to rounding.



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Environmental Impact Report

	2005	2013	2014	2015	2016	2017	2018
Operating Sq. Ft.	71,978,507	57,689,984	54,888,730	52,399,026	50,354,101	48,051,230	45,137,587
Headcount	344,650	235,054	225,750	224,740	219,056	208,043	199,458

Absolute Indicators

Energy							
Electricity (GWh)	1,952	1,715	1,639	1,564	1,520	1,422	1,369
District Heating (Steam & Chilled Water)	87	57	60	62	61	58	52
Energy Purchased (GWh) – Scope 2	2,039	1,772	1,699	1,626	1,581	1,481	1,421
Natural Gas (GWh)	145	82	80	73	70	63	71
Fuel Oil (GWh)	51	41	37	37	32	29	29
Energy Consumed (GWh) – Scope 1	196	124	116	110	103	92	99
Total Energy (GWh)	2,235	1,896	1,815	1,737	1,684	1,573	1,520

CO ₂ e Emissions*							
Direct CO ₂ e (GHG Scope 1) (Gas & Fuel Oil) (mt)	43,385	28,229	26,380	25,200	23,265	20,937	22,307
Indirect CO ₂ e (GHG Scope 2) (Electricity, Steam & Chilled Water) (mt)	1,047,266	860,633	825,160	785,677	713,641	665,298	635,345
Total CO ₂ e (mt)	1,090,651	888,862	851,540	810,877	736,905	686,236	657,652
RECs or Other Energy Attribute Certificate Purchased (CO ₂ e) (mt)	5,953	101,642	67,028	72,947	72,772	102,067	120,424
Net CO ₂ e (mt)	1,084,698	787,220	784,512	737,930	664,134	584,169	537,228

Water Consumption							
Potable Water (m ³)	6,639,638	5,790,957	5,208,229	5,032,430	4,833,762	4,586,574	4,238,898
Non-Potable Water (m ³)	13,014	20,433	20,784	48,336	233,093	278,933	240,941
Total Water Consumption (m ³)	6,652,652	5,811,390	5,229,012	5,080,766	5,066,855	4,865,507	4,479,839

* For our GHG emissions performance, the base year and the annual performance against the goal are calculated using a location-based method.

	2005	2013	2014	2015	2016	2017	2018
Waste							
Recycled Office Paper (mt)	6,230	16,632	16,378	14,743	26,908	11,709	10,889
Refuse and Other (mt)	57,101	31,049	29,574	28,664	27,717	26,383	25,819
Total Waste (mt)	63,331	47,682	45,952	43,407	54,625	38,093	36,708

Relative Indicators

Total Energy Consumed							
kWh/Rentable Sq. Ft.	31	33	33	33	33	33	34
kWh/Headcount	6,485	8,066	8,041	7,728	7,687	7,561	7,623
Net CO₂e							
Metric Tons / Rentable Sq. Ft.	0.015	0.015	0.016	0.015	0.015	0.014	0.015
Metric Tons / Headcount	3.16	3.78	3.77	3.61	3.36	3.30	3.30

Scope 3 Emissions

Business Travel							
Business Air Travel CO ₂ e (mt)	NA	150,967	178,694	109,687	135,735	151,112	149,588
Business Train Travel CO ₂ e (mt)	NA	5,335	6,651	1,605	2,125	209	227
Thermal Power							
30-Year Plant Life CO ₂ (mmt)	NA	9.7	0.0	9.6	7.8	18.1	9.9
60-Year Plant Life CO ₂ (mmt)	NA	19.4	0.0	19.2	15.6	36.2	19.8



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Digital Innovation

Technological advancements improve the experience of our clients and customers – increasing ease of access to information, empowering people to effectively manage their finances, and transforming ways of doing business through innovations such as real-time payments and advanced supply chain monitoring. In addition, innovations in technology can help increase integrity and transparency in financial services and other sectors while strengthening data security and ensuring customer privacy.

Customer-Centric Solutions

Innovative digital solutions provide significant opportunities to empower customers with financial information and open up access to financial tools for vulnerable and underserved populations. We work to enable progress in this area and focus our innovation on secure digital solutions that meet and exceed customer expectations for service and simplicity while moving our industry forward.

Empowering Customers Through Digital Platforms

For two straight years, Citi's Mobile Banking Survey has found that mobile banking provides U.S. customers with important information that makes them aware of, and secure in, their financial standing. According to the survey, apps for mobile banking ranked third for frequency of use, behind only social media and weather apps, and nearly half of consumers increased their mobile banking usage in the last year.¹

To make our Citi mobile banking app as useful as possible, we turn to our customers to help us identify real-world problems our app can help solve. We then engage with them virtually while they are in their own

environments to gather quick, authentic feedback about whether new functionality is effectively solving those problems.

In 2018, we introduced Canvas, a beta-testing community that engages Citi customers to test and influence the digital solutions Citi is creating to further empower customers to manage their finances and meet their financial goals. Feedback from the Canvas community will help us decide which solutions to discard and which to continue refining and testing for eventual release to all Citi customers.

Citi also collaborates with outside partners to meet customer expectations for simple, seamless solutions. Examples from 2018 include the following:

- Citi works through multiple channels to enable real-time payment functionality, and we are seeing demand continue to grow as consumers increasingly purchase goods and services that require immediate payments. In 2018, Citi India introduced 24/7, real-time payment functionality, enabling clients to collect payment from their customers quickly, securely and cost-effectively.
- Partnering with Digital Risk and Black Knight, Citi integrated its full suite of U.S. mortgage products into a single digital platform. As a result, our mortgage clients now have a more streamlined, efficient tool for mortgage origination.

¹ The Citi Mobile Banking Survey was conducted by Wakefield Research among 2,000 nationally representative U.S. adults ages 18 and above, between February 22 and February 28, 2018, using an email invitation and an online survey. Results are available at <https://www.multivu.com/players/English/8313051-citi-mobile-banking-study-2018/>.



Mobile Banking

Mobile Banking Empowers Customers

2018 U.S. Citi Mobile Banking Study³

95%

of customers who use mobile banking are confident that they know the exact balance of their bank account right now versus 85% of customers who do not use mobile banking.

When asked about the benefits of mobile banking, **91%** cited additional positive benefits:

62%

A greater awareness of their financial situation

41%

Fewer concerns about managing their finances

34%

More confident in their abilities to make sound financial decisions

The results of this survey illustrate how mobile banking promotes financial capability and reinforce the importance of continuing to enhance Citi's mobile solutions.

No Account? No Problem

Our mobile banking survey revealed that consumers trust banks more than non-banks to handle their finances and that they would prefer to use one app to have a comprehensive view of their finances.² In 2018, Citi launched new digital banking capabilities for our mobile app for iPhone that answers this need, including a first-of-its-kind offering among banks: Non-Citi clients can create a profile and connect their accounts across financial services providers. The mobile app serves as a single hub for users' financial lives and provides a holistic view across

accounts and financial services providers, regardless of whether the individual using the app has a Citi account. This access allows app users to gain accurate, meaningful insights about their spending across all their accounts and the ability to view all their bills, not just those they pay with a Citi card. Approved customers also have the ability to open a new bank account entirely within the app. Reinforcing our commitment to be responsive to customer needs, these features were co-created with thousands of clients.

² "Financial Wellness & Digital Banking," Citi (website), accessed December 2018, <https://www.citigroup.com/citi/news/2018/180326b1.pdf?ieNocache=745>.

³ "Mobile Banking One of Top Three Most Used Apps by Americans, 2018 Citi Mobile Banking Study Reveals," Citi (website), accessed November 2018, <https://www.multivu.com/players/English/8313051-citi-mobile-banking-study-2018/>.



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- Citi is the first financial institution to partner with Google to pilot a program offering U.S. customers the ability to use the messaging app on their Android mobile devices to obtain account information and engage with Citi representatives in real time for further assistance. We introduced this capability to a small group of customers in 2018.

Many of our digital solutions and partnerships focus on helping people manage the money they already have. However, we also see a great opportunity to help our customers generate income. During 2018, we began designing a tool that analyzes the current occupation, income and skill set of an individual and then helps that person understand the economic value of skills they can develop to boost their income potential in today's complex and rapidly changing job market.

Designing for Accessibility

Citi recognizes the importance of products and services that are designed to meet the accessibility needs and preferences of our clients. Citi offers Braille and talking ATMs, large print and Braille statements and raised line checks for the visually impaired. We also offer TTY or Text Telephone for the hearing impaired. Many of our services are provided in multiple languages to support the diverse populations we serve, and our products are tailored to meet the needs of the individuals in the countries where we do business.

In 2018, we worked to improve the digital experience for all users, including those with different abilities. Through our partnership with Deque University, all Citi employees have access to more than 25 digital accessibility courses. The courses aim to help everyone who provides online content, from developers to content creators, consider how to make the experience more accessible.

Fostering Innovation

Our Citi Ventures team is at the forefront of innovation at Citi. The team investigates subtle signals of behavior change, new technologies and industry shifts and invests in cutting-edge solutions to meet the needs of clients. Citi Ventures partners with entrepreneurs to help them build their businesses and scale their solutions. We also look for opportunities to work with startups interested in partnering with a large, established bank, such as Citi, to bring their ideas to market. Citi Ventures' portfolio ranges from investments in digital infrastructure to fintech, commerce and payments. In 2018, for example, Citi Ventures announced its investment in Contguard – a solution that uses Internet of Things technology and artificial intelligence to provide companies with greater visibility into their distribution chains and real-time monitoring of goods that have left their warehouses. This approach ensures the quality and integrity of shipped products, enables proactive management of potential risks and delays, and provides companies with valuable insights to help reduce costs and maximize efficiency related to production and inventory planning.

Citi believes in the power of entrepreneurship and will continue to support innovative companies to bring their solutions to scale. At the same time, we want to invest in the passionate, skilled employees within Citi who know our business, know our clients and have their own groundbreaking ideas that can benefit customers. D10XSM is a model Citi Ventures developed to foster innovation internally and encourage new ideas across our businesses. Through this model, we engage our employees and partner with our clients to develop, validate, test and deploy innovations quickly and effectively.

► Fast-Tracking Solutions to Support Financial Well-Being

In 2018, Citi FinTech launched the Citi Open Innovation Challenge, a five-week virtual program that invites institutions and tech firms to answer the question: "How can Citi empower customers to manage their debt and improve their overall financial wellness?" Selected applicants participated in the Citi

FinTech Integration Program, where they received mentorship to develop their ideas in an accelerated path to commercialization with Citi, as well as practical tools and lessons they can apply to work with other large organizations.

The intent of D10X is to discover and deliver solutions that are exponentially better for clients. Through direct contact with clients, employees test their hypotheses and refine their approaches. Sometimes we find that an idea does not solve a legitimate pain point, but other times these ideas do help to solve a significant challenge. Once the ideas are validated, employees pitch their solutions to senior executives to receive support for their startups, including funding at various stages, guidance from a team of in-house coaches and access to the expertise of Citi's businesses and network of global innovation labs. This approach allows us to "fail fast" in order to accelerate learning and bring more certainty to where we should – or should not – invest resources.

In 2018, D10X announced a new ideation workshop that will focus on developing solutions for the evolution of American households beyond the traditional nuclear family model. Workshop participants look outside the typical joint-account experience to consider how best to meet the needs of diverse and multilayered families – from blended and multigenerational households to single-parent families – that are looking for innovative ways to collaboratively manage finances in a digital and increasingly mobile world.

More than 2,500 employees have been involved with D10X since the program's inception in 2016, with nearly 100 internal startup ideas currently in various stages of development.

Investing in Tech Talent

As we continue to expand our digital innovation efforts, we are establishing new teams across our business, further developing the skill sets of our existing employees and looking for new candidates who have a range of expertise and a diversity of backgrounds and global perspectives.

In 2018, we established a new innovation lab in London, which will also be the home for Citi Ventures' operations in Europe. This lab is the latest hub in an expanding network of global Citi innovation labs, including sites in Ireland, Israel, Mexico and Singapore. A group of developers at our innovation lab in Israel is collaborating on projects and making recommendations that can be applied in Latin America. This partnership is building the skills of our colleagues in Latin America and expanding the knowledge and cross-cultural skills of our employees in Israel.

► Bank of the Future

We have identified innovation/digitization as one of Citi's most material citizenship issues, as we believe this issue is critical to our survival as a global bank. Citi has embraced digital innovation as a way to empower our customers and serve client needs as the rapid development and expansion of technology change customer expectations.

In 2018, Citi Global Perspectives & Solutions (Citi GPS) released a report entitled *Bank of the Future: The ABCs of Digital Disruption in Finance*. The report identifies the main areas of digital disruption in finance – from artificial intelligence and digital assets to the emergence of established tech giants into the financial space – and investigates how banks can remain vital and drive their businesses forward in this evolving digital landscape.



We also began building a new digital client experience team for our Global Consumer Banking business in North America. This team is examining how we can serve customers in the ways they are naturally inclined to interact with and manage their finances. We've established workstreams in the areas of Borrow, Pay, Save, Invest, Protect, Acquire, Serve, Secure and Enable to help us consider the customer experience holistically as we work to win and retain clients and remain competitive in the financial marketplace.



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An important part of our innovation strategy is interacting with a wide array of diverse and emerging talent. To further this effort, Citi Ventures launched Citi® University Partnerships in Innovation & Discovery (CUPID) in 2017. Through CUPID, students from leading universities participate in semester-long projects that are embedded in innovation efforts across the company. CUPID emphasizes an interdisciplinary, collaborative approach, seeking out talent beyond business graduate programs to include individuals studying design, engineering and public policy. Rather than taking a one-size-fits-all approach, we match students in the program with innovation-focused internships that fit their interests, goals and skills. In 2018, we added partnerships with five new universities, including a historically black university, and began establishing relationships with universities in additional countries. More than 800 students from 21 universities in the U.S., the UK and Canada have participated since the program was established.

In 2017, Citi Ventures supported the launch of the Global LGBTQ Entrepreneur Network by StartOut, the largest national nonprofit organization to support, educate and connect LGBT+ entrepreneurs. The network's goal is to inspire entrepreneurs and build global connections through direct access to like-minded professionals in order to accelerate job creation, broaden participants' networks through referrals to others, including LGBT+-friendly investors, and gain access to new distribution channels to build powerful businesses. Members, including Citi employees who opted in, have received access to StartOut's private global directory, online forums, mentorship program and investor portal. Since the launch of the online directory, members have initiated approximately 6,900 online searches, 5,700 profile views and 2,200 connection requests. In 2018, eight new partner organizations were added, including the Global Entrepreneurship Network and the Women Founders Network, to expand outreach to the entrepreneurial community.

Diversity in Student and University Participation Through CUPID

The Citi University Partnerships in Innovation & Discovery (CUPID) program collaborates with a diverse group of students from **21 leading universities** to support innovation efforts across Citi.

To date, **22 new project ideas** and **10 functional prototypes** have been developed and supported by program participants in **four main disciplines**: Strategy, Design, Public Policy and Technical/Engineering.



800

students with whom the CUPID program has engaged



34%

of participants are women



132

participants are from underrepresented backgrounds



61%

of students are pursuing degrees other than business

Citi is also working to help close the gender gap in tech. We bring our commitment to recruiting, retaining and advancing women in technology to life through our engagement with a number of organizations and events, including the annual Grace Hopper Celebration, the Anita Borg Institute, the Flatiron School's Women Take Tech Initiative, and Cornell Tech and the City University of New York's Women in Technology and Entrepreneurship in NY initiative.

Opening up opportunities for women in the tech field is one way Citi addresses **SDG 5**, which aims to **achieve gender equality and empower all women and girls**. Citi's work in this regard contributes

directly to target **5.a**, which includes helping to **give women equal rights to economic resources**. These activities also support **SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**, specifically target **8.5**, which includes the promotion of **full and productive employment and decent work for all women and men**.



SDG Goal 5: Gender Equality



SDG Goal 8: Decent Work and Economic Growth

➊ Tech for Integrity

Corruption is a global problem that plagues the public and private sectors, inflating the cost of doing business and taking unfair advantage of people around the world. Though technology is not the only answer, it can be a powerful force in addressing areas of corruption and providing systems that support and encourage integrity and transparency. The Citi Tech for Integrity (T4I) Challenge, conducted in 2017 in collaboration with partners in the public and private sectors, encouraged technology innovators from around the world to create cutting-edge solutions that promote integrity, accountability and transparency. Through this program, many innovators received mentoring, support, a platform to showcase their ideas and the opportunity to work with businesses, organizations and governments interested in exploring innovative integrity tools.

In 2018, Citi announced a partnership with the World Economic Forum's Partnering Against Corruption Initiative (PACI) to take the T4I Challenge into the future. Through the partnership, PACI will provide a platform that brings together innovators, governments, nongovernmental organizations and others in the T4I network. The future of T4I will focus on fostering communication and collaboration for deeper understanding of how technology can address

corruption; connecting government, business and civil society leaders with technology innovators; sharing best practices; and engaging in projects to demonstrate the ability for solutions to improve government and business processes related to trust and integrity.

Initiatives such as T4I contribute directly to **SDG 9**, which aims to **build resilient infrastructure, promote inclusive sustainable industrialization and foster innovation**. In particular, target **9.5** includes a mandate to **enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries and encourage innovation in particular in developing countries**, which aligns with the objectives and outcomes of T4I. In addition to encouraging innovation, T4I seeks to use that innovation to bolster integrity, which also directly contributes to **SDG 16**, promoting **peaceful and inclusive societies**, which includes **effective, accountable and inclusive institutions**. Target **16.5**, which aims to **substantially reduce corruption and bribery in all their forms**, and target **16.6**, which encourages the development of **effective, accountable and transparent institutions at all levels**, are closely aligned with the objectives of T4I.



SDG Goal 9: Industry, Innovation and Infrastructure



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Customer Satisfaction and Feedback

Across Citi, we use leading-edge tools and resources to systematically capture customer feedback and satisfaction and develop processes to quickly monitor, diagnose and act upon customer experience issues. In 2018, we launched a new client experience initiative that uses real-time customer data and analytics to predict reasons for customer calls. This predictive technology helps us anticipate concerns and questions so we can address them quickly, reducing call time and resolving queries during the first call. For instance, if a card is declined and the client calls CitiPhone, the customer service agent will see the declined card as the possible reason for the call along with relevant details, such as the merchant, date, time and amount. This helps our employees avoid time-consuming questions and more quickly resolve the problem. We've introduced this technology in multiple countries across Asia Pacific.

Our customer service team uses a closed-loop feedback process to follow up and resolve any issues reported by our customers through surveys. In addition to responding to specific customer concerns, we've established a "listening command center"

that proactively identifies emerging issues that arise through multiple channels, including social media, phone, chat and email. Using data analytics, we work to understand the root causes of the problems so we can take corrective actions to avoid them in the future. These corrective actions can range from policy changes to improvements in particular customer touch points, such as websites or call centers.

Since the launch of our enhanced customer complaints program in the U.S., our customer service agents have become more engaged in identifying customer dissatisfaction and have captured details that help us understand why customers are unhappy with a service or product. This knowledge is instrumental in helping us address problems and drive improvements across our business.

We also track customer satisfaction through the Net Promoter Score system, which measures customers' willingness to recommend Citi to others. We use standard metrics and processes across our company to compare regional performance and to surface best practices and problem areas from which we can learn. We are continuing to build and roll out dashboards that enable us to review survey results and customer feedback in near real time in order to act upon customers' feedback more quickly.



Safeguarding Data and Protecting Customer Information

Digital solutions are an increasing part of our lives, and this constant change brings increased concerns related to privacy and security breaches. Data security and privacy are top priorities for Citi and for our stakeholders and are among our most material citizenship issues.

Information Security

Citi's Global Information Security (GIS) Program couples information gathering and data analysis with forensics to inform strategic decisions. Our approach rests on having the right technology, systems, policies, processes and talent in place to prevent, detect, respond to and recover from cyber threats quickly.

Citi conducts regular information security risk assessments and has internal controls to prevent information security breaches. We have developed stringent policies, employ robust technologies to protect our data and systems, and have built a strong team with deep expertise. Our GIS team protects information from data breaches and misuse by maintaining strong networks to protect our systems and databases, but we remain vigilant as such threats persist. Our Information Security Utility team works with partners across Citi's businesses to support GIS Program compliance requirements and increase efficiency through standardized processes and automation.

Our GIS Program is accredited by the British Standards Institution, and we are the first major financial institution to have our program ISO 27001 certified. The program is also regularly examined by regulators, as well as by internal and external auditors.

The Audit Committee of our Board of Directors oversees the development, implementation and maintenance of our GIS Program. The program is managed by the Chief Operations and Technology Officer and the Chief Information Security Officer on a global enterprise basis; the Chief Executives of each business sector and region are responsible

for implementation and compliance with program procedures and requirements. Annually, we provide our employees with training on how to properly handle personal information and how to maintain the security and privacy of information when working with companies that provide services to us.

We invest in, develop and use advanced technology to help safeguard information. In 2018, Citi launched Citi Secure Authentication Platform (CSAP), a fully biometrics-based, cross-platform, multi-channel authentication platform to enhance the customer experience and improve security. Using standard mobile fingerprint and face recognition, CSAP fortifies the authentication process. Personal biometric information is secured by the phone's operating system and hardware. Mobile phones only store a biometric template – mathematical representation of characteristics of the enrolled user face or fingerprint and the biometric templates are not accessible by the mobile applications. Additionally, by having a multi-channel authentication approach, Citi can leverage more information about the customer's interactions with Citi to improve the customer experience and reduce fraud exposure. Just one month after CSAP was released to the Citi mobile app in the U.S., it had performed over 500,000 biometric authentications. We also use Pindrop Security, which combines authentication and anti-fraud technology to analyze phone calls within 30 seconds to confirm callers' identity. Use of this technology has led to reduced fraud loss, lower operational costs and improved customer experience.

Citi also collaborates with external stakeholders to raise the level of security of the industry. We work with our clients, competitors, governments, law enforcement and intelligence agencies to share best practices and conduct joint cyber resilience exercises. Our security teams also study information security challenges across industries to learn how to strengthen our internal practices and respond to problems quickly. In 2018, Citi became one of three official partners identified to support the Commonwealth Cyber Declaration, an intergovernmental commitment to cyber security. As an official partner, Citi will collaborate with other organizations to lead, develop and manage a project that aims to strengthen resilience in the financial sector and develop and share best practices.



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► Global Perspective on New Data Protection Regulation

During 2018, the General Data Protection Regulation (GDPR) went into effect in Europe. The GDPR increases individuals' privacy rights in Europe and broadly applies to any entity established within, proactively offering goods and services within or monitoring the behavior of individuals within the European Economic Area. In this era of big data and cyber threats, we are committed to complying with all aspects of the GDPR and empowering our customers to protect their personal information.

In 2018, Citi GPS released a report entitled *ePrivacy and Data Protection – Privacy Matters: Navigating the New World of Data Protection*. This report, published just before the GDPR took effect, examines how prepared consumers, companies and regulators are for the tightening regulatory landscape. It also considers the potential

ePRIVACY AND DATA PROTECTION

Privacy Matters: Navigating the New World of Data Protection

Citi GPS - Global Perspectives & Solutions
May 2018

Citi is one of the world's largest financial institutions, operating in all major advanced and emerging markets. As a global leader in financial services, Citi has approximately 200 million customer relationships and serves corporations across more than 160 countries. Citi GPS is designed to help our clients navigate the global economy's most compelling challenges, identify future trends and trends, and develop strategies to succeed. This report is a general overview of the current state of data protection. It is not a research report and does not constitute advice or investment or a solicitation of any kind. It is not a financial document. For more information, visit [Citi GPS](#), please read our [Terms of Use](#) at [www.Citi.com/privacy](#).

implications as the environment shifts – placing greater value on transparency, giving more power to consumers over their personal data and requiring organizations to more carefully consider the use of data.

► "Politely Confrontational" Dialogue and Debate

As technological advancements provide opportunities for a wide range of third parties to access consumers' financial data, there is a need for continued focus on balancing convenience and choice with security. In 2018, we hosted a forum,

Speakers on a panel at the Politely Confrontational event in New York City.



entitled "Politely Confrontational," in partnership with the FinTech Innovation Lab New York, which is run by the Partnership Fund for New York City and Accenture. The event brought together fintech business leaders from across the city to hear various perspectives on an important topic for financial services: data privacy in the age of open banking. The discussion included issues of customer convenience, access to data, security of information, and regulations and controls and featured senior leaders from Citi as well as public- and private-sector stakeholders. Citi CEO Michael Corbat opened the session, noting that we need fresh thinking and collaboration at a time when the financial industry faces an unprecedented period of innovation and disruption.



Privacy

The fair, ethical and lawful collection, use and processing of customers' personal information is essential to build trust, provide best-in-class services and achieve our corporate objectives. To help meet this goal, Citi has established a dedicated Chief Privacy Office team led by a global Chief Privacy Officer. The Chief Privacy Office, part of our Independent Compliance Risk Management team, manages the Citi Global Privacy program, which is overseen by the Citi Global Privacy Committee. The program provides a framework for managing privacy and confidentiality risks for the company.

Citi's Privacy and Confidentiality Policy articulates principles relating to the collection and processing of personal information, requiring, in part, that personal information only be collected and used as necessary for the performance of the services offered and for the purposes disclosed in a privacy notice. Citi is transparent in our collection and use practices and offers customers choices with respect to how their personal information may be collected or otherwise

used (as required by law), including opting out of marketing or other communications or reviewing and correcting information. Citi employees are required to take privacy and information compliance training that covers these privacy concepts.

→ What's Ahead

To stay relevant, we must innovate and collaborate to bring convenient, cutting-edge technology to our customers, who expect sophisticated solutions that integrate with their digital lives. As the rapid pace of digital innovation continues and regulations, such as the GDPR, make an impact on the financial services sector, we will continue to balance consumer expectations with demands for data privacy and control. By managing the tension between the desire for seamless digital solutions and the need for information security and privacy, we will look for new ways to collaborate and to improve our products and services to empower customers while safeguarding their personal information.

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Talent and Diversity

Commitment to diversity is core to Citi's values. Over the last year, there has been continued momentum to increase diversity at Citi and to create a transparent and inclusive workplace. While we have more to do, we are proud of where we are headed.

In 2017, we were the first U.S. financial institution to disclose and take steps to address equal pay for equal work, which we did initially in the U.S., the UK and Germany. We also committed to completing the work globally, which we did in 2018. In addition, we set specific goals to increase representation among female talent globally and black talent in the U.S.

We continue to use our voice and leverage our policies as a global company to reaffirm our values and our commitment to the rights of all our employees. Our Affinity groups are thriving as senior leaders are engaged with talent at all levels to create new models of working to support a culture of inclusion in all that we do.

► Diversity at a Glance

While we still have a distance to go, we are proud of many things: More than 50 percent of our colleagues globally are female, and 45 percent of our U.S. workforce are minorities; 47 percent of our summer analysts and associates are female, and 26 percent are underrepresented groups. More than 80 percent of our colleagues participated in virtual unconscious bias training by 2018, and an additional 35,000 attended recent in-person sessions by Harvard's Dr. Mahzarin Banaji, who is well-known for popularizing the concept of implicit bias.

► Smart Business

Research shows that companies with diverse teams make better decisions, mitigate risks and outperform other companies. And we know this to be true in our own business. In Citi Private Bank North America, the leadership team consists of 40 percent women, and 67 percent of total revenue was generated by regions led by women.

At Citi, we believe that diversity is also good for economic value overall. In a 2017 report by Citi Global Perspectives & Solutions (Citi GPS) entitled *Women in the Economy II*, Tina Fordham, Managing Director and Chief Global Political Analyst at Citi, forecasts that raising women's average labor force participation, average hours worked and

average labor productivity to the levels of men could raise the gross domestic product of nations in the Organisation for Economic Co-operation and Development by at least 6 percent to as much as 20 percent over the next two decades.



Our Diversity Priorities

To ensure that Citi is a more diverse and inclusive workplace where all employees can reach their full potential, we're focused on three key areas: targeted recruitment, development and retention, and promotion paths and processes. In a short time, work has been done to build internal capability and infrastructure across the company in support of a diverse culture and workplace. Our business leaders at all levels are directly involved in and held accountable for our collective progress in advancing diversity and inclusion across the firm. We have increased the level of transparency around these efforts, which underscores our commitment to drive change across our firm.

Pay Equity

Our initial pay equity review was completed in January 2018 and included three countries – the U.S., the UK and Germany, representing 36 percent of our workforce. We found that, on an adjusted basis, women were paid on average 99 percent of what men were paid at Citi, and U.S. minorities were paid on average 99 percent of what U.S. non-minorities were paid. As part of our analysis, we made adjustments to account for a number of factors to make the comparisons meaningful, including job function, level and geography. Later in 2018 we completed the same assessment globally, releasing the results in January 2019. In this broader assessment, we found that women globally were also paid on average 99 percent of what men were paid at Citi. Based on the findings of these reviews, we made pay adjustments as part of the 2019 compensation cycle.

We also released an additional figure, called the raw pay gap, which is the difference between median pay for all female employees and median pay for all male employees at Citi. We also compared the median pay for minorities and non-minorities in the U.S. Unlike the pay equity results, the raw pay gap does not account for differences in factors such as job function, level and geography. Our unadjusted total compensation review shows that the median pay for women globally is 71 percent of the median for men, and the median

pay for U.S. minorities is 93 percent of the median for non-minorities. These differences primarily reflect differences in representation at senior levels of the company, reinforcing the importance of increasing the representation of women and U.S. minorities in senior and higher-paying roles at Citi.

Representation Goals

In 2018, while working to understand these pay gaps, we implemented representation goals that aim to increase the diversity across the firm. At a minimum, by 2021, we plan to increase representation of women in assistant vice president to managing director level roles to at least 40 percent globally, up from 37 percent currently, and to boost the representation of black employees in those same roles in the U.S. to at least 8 percent, up from 6 percent currently.

The new representation goals are not an end state; they are a starting point to drive progress and help us in our efforts to recruit, retain and promote diverse talent. Senior leaders at Citi were involved in the development of the goals and are now measured on their progress against these goals, just as they are for other business priorities.

"When we set our business priorities, we focus heavily on the balance of our business – the importance of not being overly reliant on any one product or geography and the benefits of that diversification to strong and consistent financial performance. We think about our people in much the same way."

To be a healthy, high-performing organization, we need a well-balanced team that is representative of the places where we operate, in every part of the world. It's simply smart business."

– Michael L. Corbat, CEO



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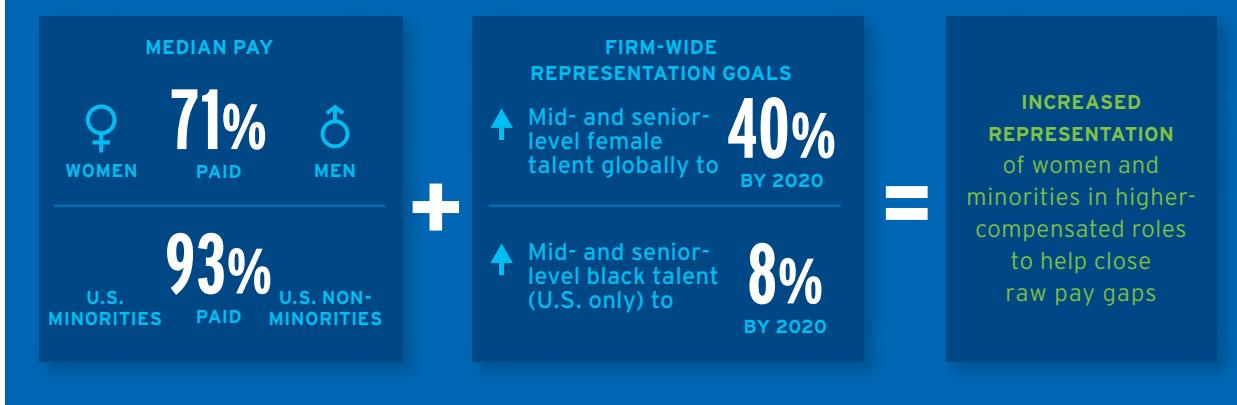
Pay Equity Review

Global figure measuring equal pay, including base salary and bonuses, for equal work, adjusting for appropriate factors such as job function, level, geography, etc.



Raw Pay Gap Data

First company to disclose aggregate measure of total compensation (all men vs. all women, all U.S. minorities vs. all U.S. non-minorities) across all employees regardless of role.



These initial goals, which are additive to our existing diversity efforts such as diverse slates and interview panels, will ensure that we learn which efforts are working and which are not. We will use what we learn through this work to support representation across all diverse groups globally.

These representation goals, as well as other work we are doing around gender equality in the workplace, directly contribute to **SDG 5** in support of **gender equality and empowering all women and girls.**

Specifically, we are enabling progress toward **target 5.5**, which aims to **ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.**



SDG Goal 5: Gender Equality

Affinity Groups and Senior Leaders in Action

With more than 200,000 colleagues in close to 100 countries, our people reflect the remarkable range of cultures and perspectives of our clients. The breadth of backgrounds, experiences and perspectives of our team is what enables our success.

Our Affinity model, built as a complement to our global grassroots Employee Network program that has been in existence for 17 years, is our enterprise approach to setting and reinforcing the company's diversity priorities and goals. Members of our CEO's leadership team, along with other senior leaders across the company, co-chair each of our Affinities to help provide accountability for an equitable and inclusive culture. The Affinity leaders act as public champions for the priorities and needs of each demographic, both within the company and externally. Our 10 Affinities – Asian Heritage, Black Heritage, Citi Salutes, Citi Women, Disability, Generations, Hispanic/Latino Heritage, Multicultural, Parents, and Pride – are designed to ensure that we understand, appreciate and respond to the needs of our entire employee base.

In line with our representation goals, Citi executives are incorporating diversity and inclusion into their business priorities and commitments. From creating a systematic approach to networking between senior leaders and diverse talent to one-on-one career discussions with diverse talent, we are focusing on more direct engagement and accountability for developing and retaining key talent.

Another critical area of focus is ensuring that our talent pipeline is more aggressively managed. As part of our annual, company-wide succession planning efforts, our leaders are working to ensure that we have the right mix of talent who are ready now for promotion and that talent that is two to three years away from their next roles have appropriate development plans in order to facilitate career mobility.

Unconscious Bias and Men as Allies

Following our Building an Inclusive Culture training in 2017, in which more than 80 percent of our colleagues participated, 35,000 employees attended in-person seminars with Harvard Professor Dr. Mahzarin Banaji in 2018. These trainings help colleagues recognize implicit bias – the social stereotypes or attitudes that unconsciously affect our decisions – and take actions to support inclusion.

We are engaging colleagues in creative ways to address workplace micro-inequities head on, including training our managers and HR teams to recognize and call out potential unconscious biases. We have created interactive sessions to recognize common unconscious biases and hold one another accountable to calling these out when we see them.

With the understanding that creating a diverse and inclusive culture is the responsibility of all of our employees, not just those who identify with a certain gender, ethnicity or Affinity, Citi is creating opportunities for men to be involved in honest dialogue around female leaders' experiences in the workplace. These seminars are intended to create male advocacy and allyship.

As an example, one session brought together a group of female and male leaders from our Operations and Technology (O&T) team to bring to light the experiences that female leaders have. The session resulted in several of the male attendees forming a task force with members of the O&T Women's Leadership Council to address the issues discussed.



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► LGBT+ Equality and Rights

In late 2018, Citi joined other companies in signing the [Human Rights Campaign's Business Statement on Transgender Equality](#). We are proud to have reaffirmed our commitment to stand with the millions of people in America who identify as transgender or gender non-binary or who are intersex. Through this public demonstration of support, we aim to encourage others to treat this community with the respect and dignity they deserve.

In the summer of 2018, we initiated a new global badging policy to enable our transgender colleagues to more easily change the name on their Citi identification badge. In addition, we expanded the demographic questions on sexual orientation and gender identity in our Voice of the Employee survey to 39 countries, reaching 82 percent of our employee base. Responses to these voluntary questions will allow us to better understand the experiences of all of our LGBT+ colleagues.

Additionally, in 2018 we expanded insurance and other benefits available under our U.S. policies to LGBT+ partners globally wherever the benefits are legal and permitted under local law. In addition to designating a spouse through marriage or civil partnership, employees are able to designate a



Citi employees and allies together at the New York City Pride March.

"partner" of any sex as an eligible family member. We recognize that employee benefits are critical to ensuring equality and mobility for our colleagues.

In Northern Ireland, where we are one of the largest employers, with approximately 2,800 people located in Belfast, Citi joined with other companies to support the effort to legalize gay marriage in 2018. Northern Ireland is the only part of the UK that has not made gay marriage legal. We were one of 29 companies that published a joint statement for reform that acknowledged the importance of a diverse, outward-looking and inclusive society to creating a prosperous future for Northern Ireland.

Targeted Recruiting

We will never make progress in increasing the representation of female and minority talent at all levels of the firm without focusing on how we bring colleagues into Citi. Our goal is for our analyst and associate programs to include 50 percent female colleagues globally and 30 percent black and Hispanic/Latino colleagues in the U.S. Female representation in full-time analyst and associate roles globally increased from 36 percent in 2017 to 46 percent in early 2019. Likewise, women in summer analyst and associate roles have increased from 39 percent to 47 percent over the same time period. In the U.S., our black and Hispanic/Latino representation has increased from 12 percent in 2017 to 19 percent in early 2019, with our summer representation increasing from 15 percent to 26 percent over the same time frame.

We are also changing how we track and manage candidates who interact with Citi, to ensure we can connect them to appropriate opportunities across the firm. Our recruiting team has been building out a comprehensive digital dashboard and is testing and validating predictive models that include diversity metrics in order to more effectively source and recruit the right talent. The dashboard will be able to show current and historical data through the lens of region, university, major, gender and other factors, allowing our recruiting team to use data to drive our strategy with a focus on meeting our representation goals.

For managing director and director level hires, we continue to ensure diverse slates, including at least one woman in our interviews for global hires and at least one woman or racial/ethnic minority in our interviews for U.S. hires. In 2018, 76 percent of

► Driving Diversity in Mexico

In an effort to improve employment opportunities for people with disabilities, our Citi offices in Mexico held the country's first job fair for people with disabilities. More than 100 people attended the job fair, which featured training to help participants develop their resumes and prepare for interviews. After the training sessions, participants were invited to apply for job openings at the firm.

Interview slates for managing director and director roles included at least one diverse candidate. We have also continued to use diverse interview panels to promote a broader perspective on hiring decisions. In 2018, 80 percent of managing director level hires were interviewed by a panel with at least one diverse member.

In addition, we're deploying new trainings and technology designed to help us leverage our hiring process to drive greater diversity, including new interview training for all recruiters and hiring managers and new sourcing platforms.

Campus Recruiting

Campus recruiting is imperative to establishing Citi as an employer of choice among early-career professionals. It is also an important entry point into Citi for underrepresented groups.

We introduced a Freshman Discovery Program to help educate underrepresented minority college freshmen on the various roles in the financial services industry. This program consists of networking sessions and trainings that provide firm-wide foundational concepts to help them understand our businesses and the impact they have on our clients. After the program, participants are paired with a mentor from Citi and have the opportunity to participate in recruiting activity. From there, 27 percent of program participants received an offer to join our Sophomore Leadership Program, and 13 percent were selected to join Citi's Early Identification Leadership (Early ID) Program.

The Early ID Program pairs each participant with a mentor from Citi and provides access to a virtual learning tool that includes weekly virtual trainings, as well as virtual panels and seminars given by Citi professionals. In 2018, we aligned the program with our Affinities, including Black Heritage, Hispanic/Latino Heritage, Citi Salutes, Pride and Citi Women. The Early ID Program plays a critical role in increasing the diversity of our summer analyst class.

In an effort to expand our reach beyond our traditional target schools to attract a wider variety of applicants, we have begun exploring various proactive sourcing methods. By partnering with companies such as WayUp, which is a U.S.-based recruiting platform for diverse students, recruiters were able to communicate customized messages to promote our opportunities. This engagement provides an opportunity to expand our pipeline and be purposeful in our targeting approach.

In 2018, we expanded the Citi® University Partnerships in Innovation & Discovery (CUPID) Program, launched in 2017, to historically black colleges and universities, with the first launch at Howard University in Washington, D.C. The CUPID program enables us to accelerate innovation projects across Citi by engaging diverse students and developing a robust pipeline of talent from leading universities. Learn more about CUPID in the [Digital Innovation section](#).

Development and Retention

Our best chance of making meaningful improvement in diversity at more senior levels is to ensure we cultivate the diverse talent we already have. We also know that the development of our talent is critical to our success as a firm. At every level, we are exploring ways to support our high-performing talent outside of biannual development conversations, and we are expanding our development programs. We will continue our focus on pay equity for all of our employees and also provide access to a robust range of career development and learning resources.



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Affinities and Employee Networks in Action

Our Employee Network chapters serve as local branches of our Affinities and are initiated and led by employees. They offer professional development, mentoring, networking and community engagement opportunities to members and colleagues. Consistent with our inclusive culture, Employee Network chapters are open to all Citi employees, whether or not they identify with a particular Affinity.

➤ **Asian Heritage** designed and implemented a development program called "Investing in You," which focuses on ensuring career mobility through cross-cultural awareness and communications seminars, mentoring and discussions with successful senior leaders.



➤ **Citi Salutes**, our veterans Affinity, launched a speaker series designed to highlight the unique leadership skills of veterans and to foster greater connectivity and engagement across the military veteran community at Citi.



➤ **Pride** and its 27 chapters around the world were active in supporting the company's implementation of two employee training modules – LGBT+ Ally Training and LGBT+ Inclusion – and promoting LGBT+ Pride Month in many cities. Citi Hungary was the largest cohort at the Budapest Pride March and marched as the principal sponsor of We Are Open, a European organization promoting diverse and open culture in the workplace.



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Disability

► **Disability** celebrated Disability Employment Awareness Month by partnering with the ReelAbilities Film Festival, the largest film festival in the U.S. dedicated to promoting awareness and appreciation of the lives, stories and artistic expressions of people with different disabilities. The group screened two short films to raise awareness and education about disabilities among employees and hosted a panel discussion. In Japan, Disability hosted a session on overcoming disability with amateur para swimmer Seiji Tanaka.

8
Hispanic/Latino Heritage

◀ **Hispanic/Latino Heritage** hosted a fireside chat with Dr. Alfredo Quinones-Hinojosa, in which he shared his journey from the tomato fields of California as a migrant worker to his role as a renowned neurosurgeon and chair of neurologic studies at the Mayo Clinic in Jacksonville, Florida.

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Citi Women

◀ **Citi Women's Leadership Development Program** is offered to high-performing female directors from around the world. To date, the program, which offers four days of networking and learning opportunities, has inspired and motivated more than 800 female leaders globally.

7
Multicultural

13
Black Heritage



16
Parents

▲ **Black Heritage** piloted a new internal development program called "Owning My Success," which is designed to empower colleagues to chart their own career course and grow while strengthening relationships with other talented colleagues. A group of mid-career black colleagues participated in a two-day professional development seminar followed by professional group coaching circles over three months.

"We have to be comfortable being uncomfortable. That's the only way we're going to change things together."

— Mark Mason, CFO,
co-lead Black Heritage Affinity

By Region

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Developing Diverse Talent

Citi has a wide range of programs underway to engage and develop diverse talent across the firm as teams test new approaches with potential for scale.

In the North America Global Consumer Banking team, for example, our Black and Hispanic Diversity Leadership Program helps employees progress to leadership and executive levels. The three-month program, launched in late 2018, includes one-on-one coaching sessions, peer mentoring circles and assessment tools to support the 30 participants to accelerate their professional development, expand their business acumen, and increase their exposure to executives and other leaders across the business.

Our Institutional Clients Group (ICG) has been hosting networking breakfasts and once-a-month hourly sessions with black employees at the vice president level and above to discuss diversity and inclusion and provide exposure to senior leadership.

In Latin America, we launched a new Women's Virtual Development Program, conducted in English and Spanish, for women at the senior vice president level and below. In 2018, more than 1,200 female executives across Latin America participated in a series of trainings on topics such as executive presence, negotiation, barriers to advancement, resilience and leadership.

Similarly, in our Asia Pacific region, EDGE, our women's leadership development program, aims to build a strong pipeline of female talent at the assistant vice president level. This six-month program

focuses on developing a personal skill base, including personal branding, networking, work/life integration and communicating with impact.

Our Finance group continued the second year of its Women in Finance Program, designed to invest in future women leaders by providing exposure to senior leadership and building a community of women in Finance. The second cohort in 2018 included 15 participants, three of whom were promoted from director to managing director and two of whom were promoted from vice president to senior vice president. Of the 2017 cohort of nine individuals, four have been promoted from director to managing director.

The Women in Risk Program, which was launched by our global Risk group in 2011, continues to be instrumental in building a stronger pipeline of women for leadership roles. More than half of the participants in this program to date have taken on new or expanded roles within the firm.

Citi's Military Officer Leadership Program is a dedicated, 24-month development program within North America Consumer Operations and Technology to identify and support military veteran employees who have high potential for future leadership roles. The program includes rotational assignments, mentorship and deep immersion in the function.

These initiatives are just a few examples of the programs we are developing and implementing to better understand what works across different businesses and geographies in order to identify best practices and work toward scale.

Learning and Evaluation

Citi employees have access to a range of career development and learning resources to enhance their ability to perform in their current roles and prepare for future opportunities. We offer flexible solutions that enable learning when, where and how it is most effective for employees, and we continue to expand our program offerings.

We also provide a range of internal development and rotational programs for leaders at all levels, and we continue to evolve those programs to meet new needs. Our Global Consumer Operations programs help high-performing employees build the skills to transition to manager and supervisory roles, and 80 percent of participants have been or are on a path to promotion.

As we enhance our development offerings, we are working to formally capture employee feedback on programming to better understand the impact on employees and the potential for further enhancement. In 2018, all Citi employees received training.

Digital Learning

As our work evolves in an ever-changing world, there is always something new to learn. To help our employees, we offer Degreed, an online platform that delivers information on the topics employees want to learn about, from artificial intelligence to cyber security to effective communication skills. Employees can choose from a series of recommendations that can be personalized for each individual. In 2018, more than 70,000 employees accessed Degreed, with leadership, project management and business analysis among the skills most frequently added to individual profiles.

Training for Advancement

Our Global Associate Learning Initiative is a nine-month training program aimed at Institutional Client Group employees at the associate level – a critical milestone early in an employee's career. The program, which combines digital learning with in-person training, prepares the next generation of Citi leadership for the future of banking. In 2018, we hosted 421 global associates (representing 40 countries and 50 cities) at our New York headquarters for the inaugural event.

► Voice of the Employee

Our annual Voice of the Employee (VOE) survey gathers critical input on trends in the workplace and management practices. The survey serves as an important catalyst for implementing valuable change within the company. All employees are invited to participate in the survey and have their voices heard.

In 2018, the Engagement Index, which measures employees' sentiments regarding opportunities for growth, job alignment with skills, and perception that the company is making the changes necessary to compete, came in at 76 percent, the same as in 2016.¹

We also measure sentiments about diversity. One of the items on the survey – related to senior management support for diverse employees and ideas – increased to 81 percent, an increase of 3 percentage points from 2016.

While we are pleased to see the numbers improving, we know these surveys touch on increasingly important areas for our employees, and, therefore, for the business. We continually challenge ourselves to do even better across the board.



¹ We did not make direct comparisons to our 2017 survey because we conducted a different type of survey that year.



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Evaluation

Employees receive formal feedback from their managers through mid-year and year-end reviews. Our two-rating system evaluates employee performance against their goals and assesses their leadership through the lens of our Leadership Standards. Citi also provides access for employees and their managers to create individual development plans that consider the skills, strategic training opportunities and behaviors needed to enhance current performance and prepare for future roles.

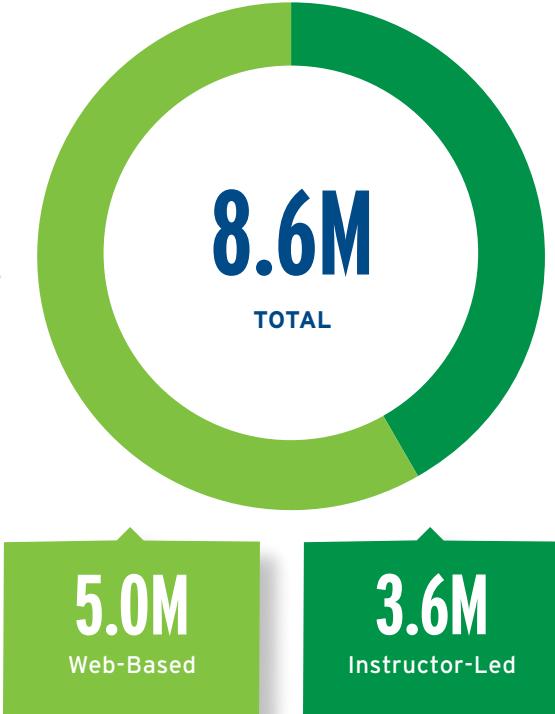
Many employees also have the opportunity to receive multi-perspective feedback (MPF) from direct reports, peers, partners and other colleagues. About 47,600 employees received MPF in 2018. In addition, approximately 3,800 managers who participated in training programs received a 360-degree performance review, which is designed to help identify opportunities for development. The goal is to provide a more holistic view of each participant's strengths and development opportunities to improve their overall effectiveness at Citi.

Global Employee Training 2018

AVERAGE HOURS PER EMPLOYEE



TOTAL BY TRAINING FORMAT



Workforce Well-Being

Maintaining policies and a culture of well-being for our employees is critical to our success. We continually evaluate the tools and policies available to maintain the well-being of our global workforce.

Work/Life Balance

Citi realizes the importance of being flexible on how, when and where work gets done. We have a variety of programs that help employees balance their work and life, including both formal and informal flexible work arrangements that contribute to employee satisfaction and retention while increasing productivity.

In 2018, we launched Minds at Citi in the U.S., aimed at changing the way our employees think, act and respond to mental health. As part of this effort, we provide access to free and confidential counseling and life coaching sessions. The program enables employees to seek support for a wide range of personal issues, such as stress, relationship conflicts and financial challenges, as well as workplace challenges, such as communicating with managers and dealing with organizational change. As we strive to create a culture in which everyone feels supported and valued, we recognize that mental well-being and physical health must be synchronized. In 2019, we started offering enhanced mental health benefits for employees and their families, including tele-medicine-based behavioral health options, on-site mental health professionals at our largest locations, and Sleepio, a cognitive behavioral therapy program to help build better sleep habits. And, through our learning and development efforts, we offer opportunities to learn about mental health and strategies for helping others who might be affected.

In the U.S., our on-site medical clinics provide health-care, free preventative screenings and health promotion programs, immunizations and pre-travel health guidance to all employees. These initiatives help employees and their families achieve their health goals through resources that are free, easy to use and available to employees whether or not they are enrolled in a Citi health plan. Our Live Well Rewards program in the U.S. enables employees and their

spouses or partners who are enrolled in our medical plans to earn up to \$450 (\$900 for a couple) in Live Well Rewards just for practicing healthy behaviors such as tracking their exercise, participating in biometric screenings or taking an online course in how to lose weight or start an exercise program. More than 48,000 employees earned Live Well rewards in 2018. Rewards are offered in the form of gift cards to popular retailers. Our locations in the U.S. and Mexico are tobacco-free.

We also offer a Health Advocate program in the U.S., separate from insurance programs, to aid employees in resolving insurance claims, accessing medical specialists and addressing their health needs and those of their families. We also consider how our buildings can affect our employees. From providing ergonomic furniture to managing air and acoustics, we strive to create an environment that supports the well-being and productivity of our employees. Learn more about how physical space impacts employee well-being in the [Operations and Supply Chain section](#). Also, our Save Well plans guide our employees in building financial stability and saving for retirement, and we offer a tuition reimbursement option for certain employees going back to school.

► Citi Parental Program in Asia

In our Markets and Securities Services (MSS) business in Asia, we are piloting a program to encourage more women to stay at the company after they become mothers. We have seen that the post-maternity-leave period coincides with high female attrition across some markets in the MSS business. As part of the program, returning mothers receive access to maternity coaching and peer support. Managers also receive guidance on their role, how they can best support employees during and after maternity leave and how they can effectively manage with increased flexible working options. Both employees and managers receive toolkits that serve as a one-stop-shop for all information relating to the policies and support Citi will provide before, during and after maternity leave.



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Citi Benefits and Family Life

Supporting employees in their family life is an important part of workforce well-being. We offer family support through a range of programs and have policies in place to support employees who require paid leave for various reasons, including military leave, family and medical leave and parental bonding/childcare leave, among others. For example, birth mothers in our U.S. workforce have access to 16 weeks paid leave, including 8 weeks of disability/recovery and 8 weeks of parental bonding leave. In addition, we offer 8 weeks paid parental bonding leave for all other parents in connection with the birth or adoption of a child, including foster care placement for the purpose of adoption. Reduced rates are also available for dependent care, and we provide a new parent program for both men and women as they navigate the transition to parenthood. In addition, we offer the Bright Horizons Special Needs program, which provides online resources for parents in the U.S. with special needs children and subsidized dependent care when work-related issues disrupt regular schedules. We also offer a college coach to help families and their children navigate the post-secondary education admissions process.

In Latin America, we launched a new program called ConnecTeen for daughters of Citi employees to connect with other teen girls and learn about the strengths and values that can empower them. One of the key objectives of the program is to raise consciousness around gender stereotypes and self-perception while fostering a culture of awareness and inclusion.



Volunteerism

We offer our employees the resources and tools to volunteer in the communities in which they live and work and, in turn, our employees are proud to contribute to helping individuals and families thrive.

In 2018, Citi employee volunteers contributed more than 1 million volunteer hours in communities around the world. They used their professional skills, expertise and time volunteering with community organizations to support a range of projects, from traditional hands-on activities to skills-based volunteering. These employee engagement efforts with community organizations often complement financial support from Citi and the Citi Foundation. For example, 20 colleagues at a Citi site outside Chicago had the opportunity to assist five nonprofit partners from the Citi Foundation's Community Progress Makers Fund in a Citi Skills Marathon. Skills marathons pair teams of highly skilled Citi colleagues with nonprofit partners for one day, enabling them to use their professional expertise to address projects that meet critical organization needs. Together, these teams assess the nonprofits' projects, strategies, programs and approaches, and determine if, where and when improvements can be implemented.

While Citi employees volunteer year-round, Global Community Day, our annual day of service for employees, friends and family, is an important way in which we collectively deepen relationships with our communities. In 2018, more than 100,000 volunteers participated in 1,400 events held in more than 450 cities across 90 countries. Since the inaugural Global Community Day in 2006, Citi volunteers have contributed nearly 4 million hours of service to projects in hundreds of cities.

Service and Skills



Among our volunteer opportunities, we provide immersive experiences that serve as valuable professional and personal development for our employees and important retention tools for Citi. They also contribute to our commitment to engaging with the communities where we live and work. These opportunities include the following:

CariClub: Since 2017, CariClub has been helping Citi bankers engage with their communities and develop leadership experience by serving on nonprofit associate boards. Fifty colleagues are now serving on an associate board or have joined a young professionals committee, and more than 60 colleagues will be working through the process in 2019.

iMentor: Since the launch of our Pathways to Progress program in 2014, the Citi Foundation and iMentor have worked together to equip high school students with the tools to succeed academically and prepare for post-secondary education and career opportunities. In addition to the Foundation's grant funding, more than 200 Citi employees across the U.S. served as mentors in 2018, helping to develop college and career aspirations, assist with the college application and financing process and coach mentees throughout their post-secondary academic years.

Service Year: Through a partnership with Service Year Alliance, select first-year Citi analysts in New York City who have accepted a full-time offer have the opportunity to defer that offer for one year

to work in a strategic role at a nonprofit of their choice. With a guaranteed return to Citi after their year of service, participants contribute their skills and expertise to supporting their communities while honing skills that will prove valuable in their careers at Citi. Since the program's inception in 2016, 17 analysts have participated, with 10 more scheduled to participate in 2019.

Volunteer Africa: Launched in 2016, Volunteer Africa connects microentrepreneurs in Africa with Citi employee volunteers from select areas of our businesses. In 2018, 27 junior bankers spent five weeks in Uganda working with a group of high-potential entrepreneurs to help grow their businesses and create much-needed jobs in the local community. The entrepreneurs are also able to pitch for investment from Citi through a dedicated fund established by the bank.

One Young World: As part of the One Young World program, Citi employees have the opportunity to mentor young social entrepreneurs from Yunus&Youth, an organization focused on providing resources to drive social change. At the end of the six-month engagement, program participants travel to attend the acclaimed One Young World Summit, a unique gathering of young talent from global and national companies and NGOs and world leaders. Just last year, 56 Citi participants traveled to the Hague to debate, formulate and share innovative solutions for the pressing issues the world faces.



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Promotion Paths and Processes

A critical part of guiding the career progression of our employees is working to better understand what works and what doesn't so we can not only retain but also promote our talent. Career development is an important priority, and we promote from within wherever possible. In 2018, close to 40 percent of open positions were filled internally. This focus is particularly important for our diverse talent as we work to increase representation at more senior levels of the company. For example, with immense focus and continued investment in development, more than 25 percent of our Citi Country Officers (our country business heads) are female, and our ultimate goal is to increase this to 50 percent.

In 2018, we also focused on equipping managers to better anticipate and learn about employee concerns and to partner to develop solutions that help them retain and promote key talent. Managers are being encouraged and supported to look beyond formal talent review conversations to have candid conversations, or engagement interviews, with direct reports to build trust and better understand employees' career aspirations and morale.

Fair Employment Practices

Our global workforce is our greatest asset, and we strive to maintain an environment where opportunities to develop are widely available, where people are hired and advanced on their merits and where our employees treat each other with respect. We are fully committed to equal employment opportunity and comply with the letter and spirit of all laws regarding fair employment practices and nondiscrimination.

For more information on fair employment practices, see the [Human Rights section](#) of this report as well as our [Code of Conduct](#).

Compensation

We offer competitive salaries based on our Compensation Philosophy, which outlines five primary objectives. Our approach to compensation includes ensuring that entry-level employees receive competitive wages within the industry. We also offer employees the opportunity to take advantage of formal or informal flexible work arrangements, including part-time work and job sharing.

We conduct a robust annual review of compensation, which includes multiple layers of reviews of compensation recommendations and pay equity analysis. Learn more about our pay equity analysis on [pg 102](#).

➤ Citi's Compensation Philosophy

We have a comprehensive compensation philosophy anchored by the following five objectives:

1. Align compensation programs, structures and decisions with stockholder and other stakeholder interests
2. Reinforce a business culture based on the highest ethical standards
3. Manage risks to Citi by encouraging prudent decision-making
4. Reflect regulatory guidance in compensation programs
5. Attract and retain the best talent to lead Citi to success

For more detailed information on each of these objectives, see our complete [Compensation Philosophy](#).



Citi employees and allies march together in the Pride in London parade.

2018 Workforce Diversity Highlights

51%

of our total employees
globally are female

(103,243 people)

46%

of our U.S. workforce
are minorities

(30,498 people)

25%

of our managing
directors and directors
globally are female

(2,354 people)

28%

of our U.S. managing
directors and directors
are minorities

(1,341 people)

2018 Consolidated U.S. Employer Information Report (EEO-1)

BY RACE

54.2%

White
(Not Hispanic
or Latino)

10.3%

Black or African
American

17.7%

Hispanic
or Latino

16.1%

Asian

0.2%

Native Hawaiian/
Other Pacific
Islander

0.3%

American Indian/
Alaskan Native

1.2%

Two or
more races

BY GENDER

53.1%

Female

46.9%

Male



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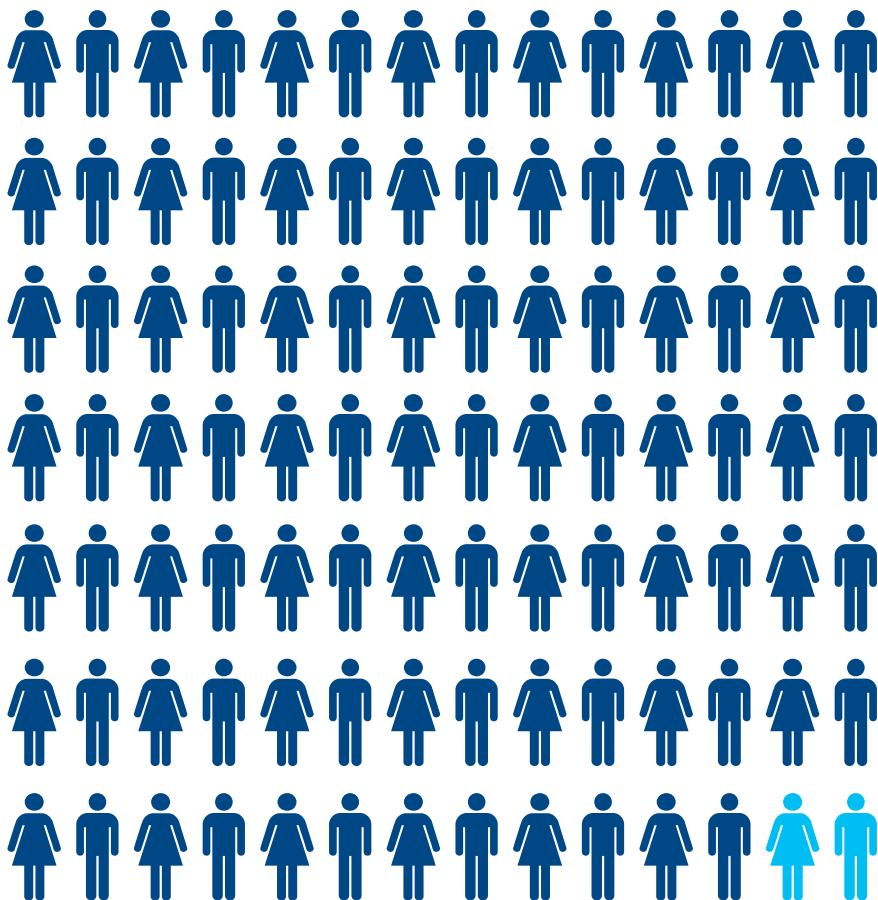
Citi's Global Workforce

EMPLOYEES BY REGION



Data as of December 31, 2018.

BY EMPLOYMENT TYPE



204,256
Total Workforce

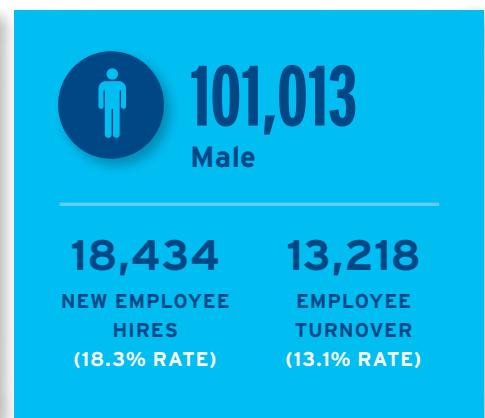
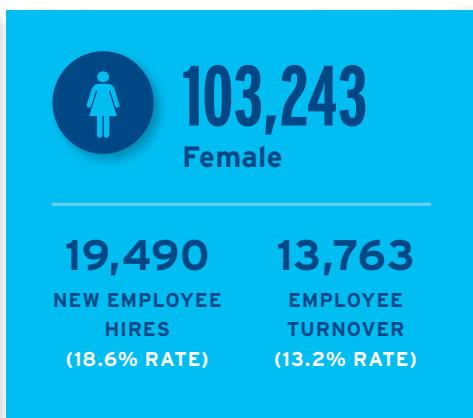
201,352
Full-Time Employees

2,904
Part-Time Employees

TOTAL



BY GENDER





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Executive Compensation

We compensate our executives fairly, based on individual and company performance, competitive benchmarking and support of our Mission and Value Proposition. Our Proxy Statement contains a scorecard with each named executive officer's financial and nonfinancial performance goals, which are approved by the Board's Personnel and Compensation Committee. We seek to design our executive pay program to motivate balanced behaviors consistent with our focus on long-term strategic goals. For example, diversity and inclusion, including increasing representation of women and U.S. minorities, and ethics and culture are incorporated into senior executives' scorecards, which are a factor in remuneration. Citi incorporates shareholder and stakeholder input on executive pay into our Compensation Philosophy. We apply our Compensation Philosophy through our Executive Compensation Framework, which enables incentive compensation awards to closely reflect our pay-for-performance approach.

Discrimination and Sexual Harassment in the Workplace

Citi strictly prohibits any form of unlawful discrimination or harassment, as set forth in our widely disseminated and consistently enforced policies. Employees who believe they have been discriminated against or harassed are encouraged to report any incidents that violate Citi's policies to

their managers, another member of the employee's management chain, Human Resources, or the Ethics Hotline. Upon receipt of any complaint, Citi promptly investigates and takes remedial measures up to and including termination of employment, where appropriate. All contacts and investigations are treated as confidentially as possible, consistent with the need to investigate and address the matter and subject to applicable laws and regulations. Citi's policies also strictly prohibit retaliation against any employee who has made a complaint or participated in an investigation. For more on our discrimination and harassment policies, see our [Code of Conduct](#).

→ What's Ahead

To fully reach our potential, we need a workforce of people who represent the places where we operate and the clients we serve. Citi has a strong record of action on important issues related to diversity, inclusion and equality. But we know there is much more work to do, as reflected in our recent analysis showing the ongoing median pay gap between men and women and between minorities and non-minorities. This analysis underscores the importance of our goals to increase the representation of women and U.S. minorities in senior and higher-paying roles at Citi by the end of 2021. We are focused on this work and empowering teams to implement new programs to increase diversity across the company, to learn from each other's successes and to scale these approaches across the organization.

Timeline of Select 2018 Events



January 2018

Completed initial pay equity review in the U.S., the UK and Germany

February

Signed the CEO Action for Diversity and Inclusion Pledge, committing to driving policy changes and practices at Citi that help advance equitable workplaces

April

As part of our pledge to procure \$100 million from women-owned businesses, continued our partnership with WEConnect International

July

Expanded insurance and other benefits available under our U.S. policies to LGBT+ partners globally, wherever benefits are legal and permitted under local law

July

Initiated a new global badging policy to enable our transgender colleagues to more easily change the name on their Citi identification badge

April

Engaged directly with partners to begin the process of reviewing and evaluating women-owned businesses and their capabilities in Europe, Latin America, Africa and other regions

August

Announced firm-wide representation goals for female talent globally and black talent in the U.S.

November

Signed the Business Statement for Transgender Equality

October

Expanded the demographic questions on sexual orientation and gender identity in the Voice of the Employee survey to 39 countries, reaching 82% of our employee base. Responses to these voluntary questions allow Citi to better understand the experiences of all of our LGBT+ colleagues.

August

Joined forces with the Flatiron School to connect women with up to \$1 million in scholarship dollars to attend one of the school's industry-leading software engineering or data science courses

September

Participated in the Grace Hopper Celebration focused on retaining and advancing women in technology

October

Signed the European Diversity Charter, which was launched in 2004 to promote the European Union's anti-discrimination and diversity policies among employers

November

Joined #SeeHer, a groundbreaking movement launched by the Association of National Advertisers to eliminate unconscious bias against women and girls in advertising and media



January 2019

Completed global pay equity review and released unadjusted pay gap figures



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Ethics and Culture

We have invested in improving controls, including those related to risk, compliance and audit, and our progress in these areas is enabling us to safely run and grow our business. All of our employees, at all levels, are held accountable to the highest standards of ethics and professional behavior so we can deliver the best possible results for our clients and communities.

Ethics and Culture at Citi

Each Citi employee has made a commitment to serve as our clients' most trusted partner, in every transaction and every interaction, by responsibly providing our products, services and expertise. We expect our employees to comply with all applicable laws, regulations and Citi policies – including our [Code of Conduct](#). Our Mission and Value Proposition asks our employees globally to ensure that their decisions pass three tests: They are in our clients' interests; they create economic value; and they are always systemically responsible.

These three tests help our employees to deliver on our core activities of safeguarding assets, lending money, making payments and accessing capital markets on behalf of our clients – each of which creates an obligation to act responsibly, do everything possible to create the best outcomes and prudently manage risk.

The Ethics and Culture Committee of our Board of Directors oversees Citi's efforts to reinforce and enhance a culture of ethics throughout the firm. At Citi, we establish and communicate our core

values and principles through our publicly available [Code of Conduct](#), our publicly available [Leadership Standards](#), various training and development opportunities, employee engagement initiatives and communications from our senior leaders. In doing so, we reinforce that our employees must apply our values and principles every day to everything they do and wherever Citi operates.

We ask our colleagues to ensure that their decisions pass three tests:



They are in our clients' interests



They create economic value



They are always systemically responsible

Ethics Program

Citi's Ethics Office, a part of Independent Compliance Risk Management (ICRM), is responsible for our Ethics Program, which includes reinforcing Citi's values through the Code of Conduct, Code of Conduct training and employee outreach efforts such as the Spotlight on Ethics (see below). The Ethics Program also includes Citi's Ethics Hotline, works with our businesses and control functions to identify control enhancements, and reports on significant matters to Citi's internal and external stakeholders.

As part of Citi's annual Voice of the Employee survey, a key culture initiative to gather feedback from our employees, we include an Ethical Culture Index. This Index measures five items: comfort with reporting unethical practices without fear of reprisal, a feeling of accountability to identify and escalate issues, confidence that Citi will act upon reported legal or ethical violations, a belief that colleagues act with integrity, and manager encouragement of ethical conduct even in the face of pressure. Index results have held steady for several years, with 89 percent responding positively to the Index items in 2018, the same as in 2017 and up from 88 percent in 2016.

Code of Conduct

Citi's Code of Conduct outlines the standards of ethics and professional behavior expected of employees and representatives of Citi when dealing with clients, business colleagues, shareholders, communities and each other. It also provides an overview of key legal and regulatory requirements and select global policies. The Code applies to all directors, officers and employees of Citi worldwide. In addition, individuals performing services for Citi may be subject to the Code by contract or agreement. The Code is publicly available in 26 languages at our Investor Relations website.

Our Code of Conduct illustrates how our employees can make ethical decisions using a decision-making guide that identifies key criteria through which a proposed choice or course of action should pass in order to align with the tests contained in our Mission and Value Proposition and our Leadership Standards. Updated in 2017 and approved by our Board of Directors, the Code reinforces for employees their responsibility to adhere to our core values while leading by example, taking responsibility for their decisions, and escalating actual or potential misconduct, whether their own or that of others. It also highlights for senior leaders and managers their elevated responsibility to model ethical conduct.

➤ Spotlight on Ethics

Citi shares the results of actual ethics investigations with employees through a quarterly communication called Spotlight on Ethics, to show employees that their concerns are investigated while highlighting commonplace areas in which ethical lapses can occur. The Spotlight on Ethics also includes corrective actions to demonstrate that raising concerns leads to meaningful action. In 2018, issues of Spotlight addressed topics such as how to identify and escalate fraud risk concerns, considerations for employees engaging in outside business activities (including potential conflicts of interest), the responsible use of social media and requirements surrounding the acceptance of business gifts and entertainment.





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Upon joining Citi, employees must acknowledge that they have read and will comply with the Code, and we ask employees to periodically reaffirm this commitment through Code of Conduct training. Violations of the Code can result in disciplinary action up to and including termination of employment.

The training is required biennially following the issuance of an updated Code of Conduct. As such, new training was provided to all employees in 2018. The training serves as an essential means to connect Citi's values and principles to expected employee behaviors and conduct. Through the use of hypothetical work-related ethical scenarios, the training enables employees to better recognize when to seek guidance or report concerns about their conduct or that of others; it also provides information about the various avenues through which they can do both. Code of Conduct training is offered to new hires globally on a rolling basis, as well as to non-employee contingent workers who are performing services for Citi.

Escalating Business and Ethical Concerns

We emphasize to our employees the importance of escalating issues in Citi's global Escalation Policy. The Escalation Policy clearly sets forth employees' obligation to escalate violations or potential violations of law, rule or regulation, or breach or potential breach of Citi policy or procedure or the Code of Conduct. The Escalation Policy also provides information on the multiple avenues through which employees can raise issues, including, among others, their managers or other members of management, their Human Resources or labor relations representatives, internal legal counsel, a designated ICRM officer, Citi Security and Investigative Service,s and the Ethics Hotline.

The Escalation Policy was updated in 2018 to clarify how employees are expected to escalate any issues, including concerns about employee misconduct related to sales practices, and to establish requirements for prompt reporting of significant matters to the appropriate governance committees and the Board of Directors. The policy sets forth requirements on what to escalate, when to escalate and the parties to whom to escalate. It includes roles and responsibilities for the identification, reporting,

investigation, resolution and senior management reporting of these concerns and for oversight of escalation requirements and processes.

The Ethics Hotline provides five channels for employees and any third party, including members of the general public, to report concerns about unethical behavior to Citi's Ethics Office. A telephone line is available 24 hours a day, seven days a week, with live operators who can connect to translators in multiple languages. Other reporting channels include a dedicated email address, fax line, website (both internal and public facing) and physical mailing address.

We believe it is essential that individuals feel secure when raising a concern. All contacts and investigations are treated as confidentially as possible, consistent with the need to investigate and address the matter and subject to applicable laws and regulations. Concerns may be raised either anonymously or with attribution, subject to applicable laws and regulations. Further, Citi prohibits any form of retaliation against anyone who raises a concern or question in good faith or who participates in a subsequent investigation. Employees who engage in retaliation against a colleague because he or she raised a concern or question in good faith, asked for a reasonable accommodation, reported a violation or was involved in an investigation are subject to disciplinary action, up to and including termination of employment or other relationship with Citi.

Each year, the Citi Ethics Office provides to all employees a summary of the types of concerns received through the Ethics Hotline, to show the use of Citi's ethics process and demonstrate that raising concerns to the Citi Ethics Office leads to meaningful action within our organization. Examples of such action can include disciplinary actions against individual employees and non-employees, the termination of vendor relationships, referrals to the appropriate law enforcement or governmental authorities, communications to our workforce, additional training for employees and non-employees, changes to Citi policy, business processes and procedures, and control enhancements.

In addition, the Ethics Office publicizes an internal website that provides employees with updates on Citi's Ethics Program and initiatives, as well as resources for managers and employees to learn more about Citi's ethical values and principles.

Industry Collaboration

We have made a concerted effort to partner with key stakeholders on ways that we can collectively improve the culture of the banking industry. In June 2018, for example, Citi's CEO, along with other industry leaders and regulators, participated in the Federal Reserve Bank of New York's annual workshop on culture and behavior in the financial services industry. The workshop explored progress and challenges in reforming culture and behavior in the financial services industry from a variety of perspectives.

Citi is also a member firm of the Banking Standards Board (BSB) in the UK. Together with more than 30 other member firms, we support the BSB's independent role to help rebuild trust and confidence across the UK banking industry by promoting high ethical and professional standards for behavior and competence. We remain engaged with the BSB directly through our UK senior management. Our Chief Country Officer for the UK has been a BSB board member since its inception.

- GRI 102-42, GRI 102-44

Managing Compliance Risk

The ICRM team is responsible for helping to drive a culture of ethical conduct at Citi by establishing policies, programs and procedures that guide and support our employees in making ethical decisions and adhering to appropriate standards of conduct. Through an integrated compliance risk management framework, this group protects Citi by setting standards; providing guidance, training and advice to our businesses regarding compliance risk; and driving ownership and accountability for managing compliance risk in accordance with Citi standards across the firm. Managing compliance risk is the responsibility of all of our employees and requires not only adherence to applicable laws, regulations, policies and relevant standards of conduct but also the promotion of business behavior and activity consistent with the values and conduct expectations outlined by our Mission and Value Proposition, Leadership Standards and Code of Conduct. Through the efforts of a range of teams, including Anti-Bribery, Anti-Money Laundering (AML), Ethics and Risk, we work to counteract the many and varied threats of corruption facing the financial sector. Citi's global Compliance organization is headed by our Chief Compliance Officer, who reports directly to our CEO and provides regular reports on the performance of the compliance program to our Board of Directors, as well as its Audit, Risk Management, and Ethics and Culture committees.

► Leadership Standards Accountability

Our culture is not just who we are and what we believe; it's how we act in small, everyday moments. We encourage all employees to demonstrate the behaviors of our Leadership Standards, which are the measurable skills, abilities and knowledge that all of us at Citi should exhibit to be successful leaders. Holding ourselves and each other to these high standards is part of our culture and our commitment to operating in our clients' best interests, driving economic value and minimizing risk.

We expect managers to lead by example and inspire their employees to live Citi's values.

Every manager is responsible for creating a work environment free of discrimination, harassment and retaliation. As role models, managers reinforce the importance of following our Leadership Standards, Code of Conduct and Mission and Value Proposition, as well as encourage employees to raise any concerns about potential legal or ethical issues. Managers also ensure concerns are properly resolved or promptly escalated through appropriate channels, promote awareness of all resources available for reporting concerns and neither engage in nor tolerate retaliation of any kind.



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Anti-Bribery Program

We continually enhance our Anti-Bribery Program with respect to the areas outlined in the [Citi Anti-Bribery Program Statement](#) – which is updated at least annually – and in our [Code of Conduct](#), which summarizes our Anti-Bribery Policy.

Citi complies with all applicable anti-bribery laws and regulations, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and the applicable local anti-bribery laws of the countries in which we operate. Our Anti-Bribery Program Statement expressly prohibits bribery in any form for our employees, as well as our suppliers.

We have written policies, procedures and internal controls designed to comply with anti-bribery laws. We conduct an annual bribery risk assessment of all global business lines. The risk assessment addresses many areas of risk, including gifts and entertainment, hiring practices and third-party relationships. The Anti-Bribery Program is overseen by our Chief Compliance Officer, and information on anti-bribery compliance is disseminated to senior management at both the regional and enterprise levels and to the Board of Directors or a committee of the Board, as appropriate.

We provide our staff with anti-bribery training annually and supplement it with targeted training and

communications as needed. We give staff multiple ways, including the Ethics Hotline, to escalate bribery-related concerns and to prompt investigations, where necessary.

Sanctions Program

Citi conducts business and operations in compliance with applicable sanctions, laws and regulations, including those of the U.S. and other countries in which we operate. We maintain a robust, risk-based ICRM Sanctions Program that applies globally and is commensurate with our global footprint. As a financial institution organized in the U.S., Citi and our subsidiaries globally comply with applicable U.S. sanctions requirements, among other requirements.

Our enterprise-wide Sanctions Program promotes compliance with increasingly dynamic sanctions requirements. The program includes policies and procedures, risk category statement and tolerance thresholds, enterprise-wide screening, annual risk assessments and audits of sanctions control processes, employee training and a diverse team of Compliance professionals stationed around the world. Citi's Sanctions Program and the associated policy are owned by the Chief Sanctions Officer, and the policy is approved by the Audit Committee of the Board of Directors.

➤ Disrupting Terrorist Financing and Transnational Crimes Through Sanctions

Advancements in financial services technology and increased globalization create opportunities for innovations that can improve the lives of people around the world. But they also introduce new risks, including the potential for bad actors to take advantage. Citi's Independent Compliance Risk Management Sanctions team created a new specialized group that seeks to identify, understand and address emerging sanctions risks. Through the implementation of innovative solutions, this group detects and disrupts otherwise unidentified parties that may be engaged in the evasion of economic sanctions regimes. ICRM Sanctions is working around the clock to detect and deter the movement of money through Citi that could

have an undisclosed nexus to countries such as North Korea. They are reviewing open-source and institutional sources, collaborating with counterparts in Anti-Money Laundering and relevant Citi businesses, and adopting best practices from peers, think tanks and law enforcement agencies. The team, which includes former officials of the U.S. Department of the Treasury, is leveraging industry-leading subject matter expertise in sanctions evasion techniques to identify transactional activity and relationships that present heightened risks and to provide colleagues across Citi with the tools and knowledge needed to help identify and counter potential illicit finance activities.

Anti-Money Laundering Program

Citi's AML Program works to protect our clients, our franchise and the global financial system from the risks of money laundering and terrorist financing.

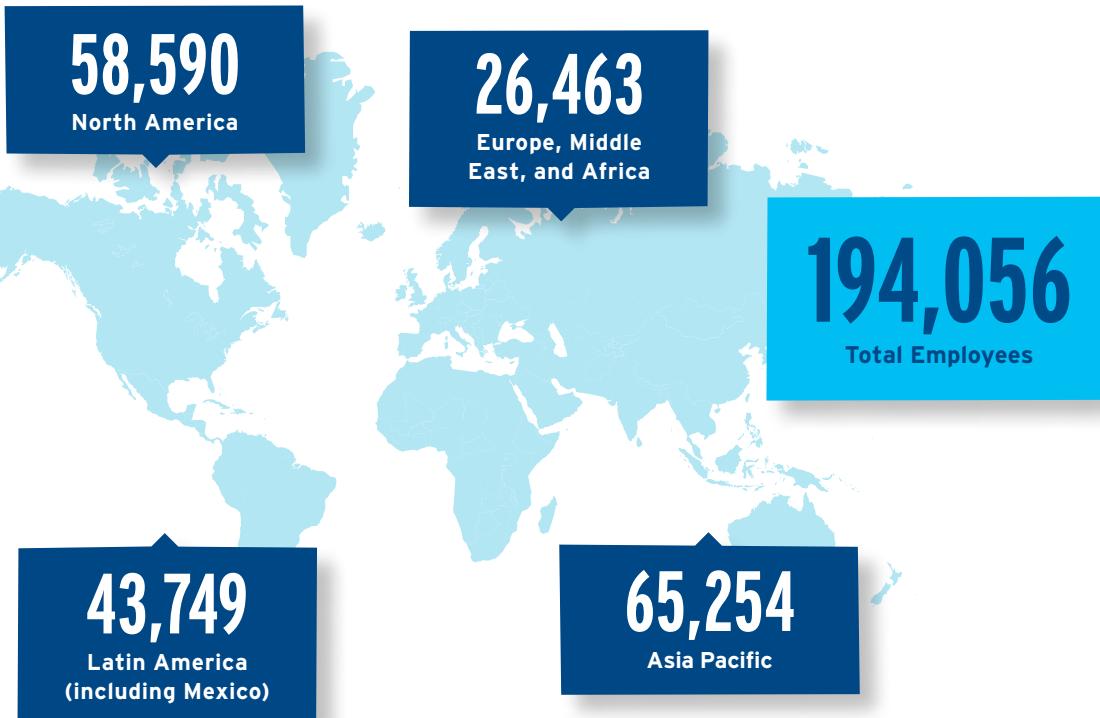
The program centers on:

- **Prevention:** Citi's Global Know Your Customer Program is the cornerstone of our AML Program, enabling us to effectively evaluate the potential risks associated with each client relationship and ensure that we adhere to globally consistent policies and standards, customer risk scoring and onboarding.
- **Detection:** We monitor transactions to identify unusual or suspicious transactions, behaviors or patterns of activity across our global footprint. Our AML investigations unit reviews transactions of new and existing clients across businesses and regions.
- **Reporting:** We create, track and file Suspicious Activity Reports, Suspicious Transaction Reports and Currency Transaction Reports, as required in many countries.

- **Governance:** Our enterprise-wide controls that govern the overall program include global AML policies, processes, testing and training. Citi's Global AML Program Head and Bank Secrecy Act Officer is responsible for overseeing the program, including apprising the Board of Directors and senior management of AML initiatives, any significant deficiencies and the reporting of suspicious activity.

Our AML Program includes more than 6,400 employees globally, including more than 440 designated AML Officers covering every Citi business, function and geographic area. These specialists partner with various functions, including Compliance, Audit, Technology, and our institutional and consumer businesses, to provide effective enterprise AML risk assessment and to meet our AML-related requirements at both the global and local levels. In 2018, we focused on simplifying and creating more efficiencies for Citi's clients while continuing to build and execute on an AML Program that protects our franchise, proactively mitigates risk and delivers on our regulatory requirements. For more information on Citi's AML Program, visit our [website](#).

Number of Employees Who Completed Citi's 2018 Anti-Money Laundering, Sanctions and Anti-Bribery Training (by region)*



* This combined online training incorporates multiple anti-corruption efforts, including AML, sanctions and anti-bribery training. Numbers include all Citi staff who completed the 2018 training as of January 2019. (Employees and non-employee workers have 30 days to complete it.)



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Combating the Illegal Wildlife Trade

In recent years, the illegal wildlife trade (IWT) has grown more sophisticated as large profits have attracted global criminal networks and have helped fuel devastating levels of poaching and other illegal activity. Wildlife and animal parts are trafficked much like illegal drugs and arms and, as a result, financial institutions risk unknowingly facilitating financial flows derived from IWT. In 2018, Citi joined the United for Wildlife Financial Taskforce, a collaboration between financial institutions and NGOs organizations to combat IWT. As part of this effort, Citi was one of 30 institutions to sign the Mansion House Declaration, which outlines six commitments these institutions are making to share resources and intelligence to disrupt the flow of illegal income generated by these activities.

Since joining the Taskforce, Citi colleagues have been working together to enhance awareness among key internal stakeholders, shedding light on key findings thus far and key risk indicators. We have also shared the work we are undertaking to detect and disrupt IWT with others and have identified and acted on Citi touchpoints for IWT based on intelligence shared within the Taskforce. Combating IWT is an ongoing effort, and we are continuing to bring Citi colleagues together to build awareness and share best practices, while also collaborating with others in the industry to detect and disrupt wildlife trafficking and mitigate the risks of money laundering and other serious crimes associated with the illegal trade of wildlife.

Serving Our Customers and Clients Responsibly

We have policies and systems in place to make sure we are always treating customers responsibly and fairly, as reflected in our Code of Conduct and our internal checks-and-balances processes when creating new products.

Responsible Marketing

We are committed to providing clients with the right products and services based on their needs, wants and preferences, while adhering to all internal policies and procedures, as well as all banking laws and regulations. We take the time to understand the unique financial requirements of each client and offer only products and services that meet those needs. We work diligently to clearly disclose all the features and terms and conditions, including applicable fees and charges, for the products and services offered so that clients can select and use the product or service best suited to them.

In 2018, as part of our customer-centric approach to communicating in a simple, straightforward manner, our Global Consumer Banking's (GCB) Branded Cards business continued to deliver personalized videos to heighten customer comprehension of key topics. For example, we launched a video outlining the benefits of the Tarjeta de Crédito Costco Citibanamex (Citibanamex Costco credit card), including how cardmembers could leverage the annual rebate. Of those cardmembers surveyed, 86 percent found the video to be extremely helpful in getting them to better understand the card's benefits.

We deliver innovative, powerful solutions for our customers to drive greater simplicity, convenience, control and insight. In the U.S., for example, GCB has launched a steady stream of mobile features, including the ability to connect accounts across financial services providers within the Citi Mobile app for iOS. This feature provides customers with a holistic view of their financial lives across their Citi accounts as well as other financial services providers, and eliminates the need for additional financial tracking and

budgeting apps. Our ongoing enhancements to our mobile app helped us to achieve certification in 2019 from J.D. Power, which cited “an outstanding mobile credit card experience, ensuring ease of navigation, range of services, speed of completing transactions, clarity of information and appearance.” Citi was one of only two brands recognized with the J.D. Power Mobile App Certification as of January 2019. Learn more about how we work to improve the digital experience of our clients in the [Digital Innovation section](#).

We also provide our customers with timely resources and information related to safety and security. Recently, Citi launched a redesigned U.S. online Security Center for customers to learn about what Citi does to protect them and what they can do to protect themselves against identify theft and other security risks. As a result of this expanded content, as well as our efforts to market it prominently across our digital channels, we have seen visits to the Security Center increase by more than 450 percent.

Further, in an effort to contribute to eliminating gender bias in marketing, in 2018 Citi joined #SeeHer, a groundbreaking movement launched by the Association of National Advertisers (ANA) to eliminate unconscious bias against women and girls in advertising and media. This partnership enables Citi to collaborate with the ANA to increase the accurate portrayals of women and girls in media and leverage our scale to influence positive change.

These initiatives are just some examples of our firm-wide commitment to ensuring that our activities are in the best interests of our clients. More broadly, new products are approved by cross-functional committees that include senior executives from Risk, Legal, Compliance and other relevant units, supported by specialists from Fair Lending, as needed. Citi marketing materials are reviewed by our Compliance and Legal departments to ensure that we communicate clearly and fairly and comply with applicable laws, regulations and Citi policies. These teams also provide periodic testing or monitoring of such materials and disclosures. Each relevant business maintains a compliance management process to receive and respond to consumer concerns.

► Citi's Fairness Principles

1) Works as described

Customers can predict how the product or service will work.

2) Appropriate

Global Consumer Banking provides products and services that are appropriate for its customers, and customers can rely on the bank to offer products that match their needs.

3) Value

Customers receive value that is reasonably related to the cost of the product or service.

4) Ease of Understanding

Customers understand the terms and conditions of the products or services (particularly any limitations or exclusions).

Treating Customers Fairly

Citi's Treating Customers Fairly (TCF) Program and our U.S. and Global Consumer Fairness Policies demonstrate that our culture focuses on the fair treatment of customers and encourages employees to view fairness as a key element of delivering a remarkable experience. The aim of the TCF Program is to deliver products and services that provide value, clarity and dependability, guided by the Fairness Principles that define our standards for our products and services.

The TCF Program provides a framework for review of consumer fairness concerns and a sustainable model for managing emerging risks. The U.S. and Global Consumer Fairness Policies cover all aspects of the consumer product and services lifecycle, including new product development, marketing, sales



HOW WE DO BUSINESS

Environmental and Social Risk Management

Human Rights

Operations and Supply Chain

Digital Innovation

Talent and Diversity

Ethics and Culture



(including incentive compensation), underwriting and onboarding as well as all other stages. Citi's Business Practices teams have established formalized escalation processes to facilitate consistent, timely and appropriate identification, analysis and escalation of potential consumer fairness and reputational and franchise risk issues.

As part of the program, Global Consumer Banking employees are required to complete annual fairness training to ensure they understand how to identify issues of fairness and how fairness influences real-world results. In 2018, approximately 100,000 Citi employees around the world completed the course.

Fair lending practices are a key component of our commitment to treating customers fairly. In 2017, we updated our U.S. Fair Lending Policy to provide clearer and more specific guidance on consumer protection, including clarifying that the prohibition against discrimination based on "sex" encompasses gender as well as sexual orientation and gender identity. This policy establishes the guiding principles and minimum standards for fair, equitable and nondiscriminatory access to credit. Further, it prohibits discrimination against actual or prospective clients on the basis of race, sex, religion or other non-risk related factors. We provide regular trainings to relevant employees on the policy and fair lending best practices.

True to our commitment to responsible finance, we also hold an annual Fair Lending Offsite with employees from across the company to ensure that we are at the forefront of serving our clients equitably. At the 2018 offsite, participants had the opportunity to complete nine different "accessibility experiences" – demonstrations of how visual, audio and physical impairments impact various everyday tasks such as reading numbers, listening to instructions or signing one's name – that helped them better understand the experience of accessing Citi resources as someone with a disability.

As the external fair lending environment and our business strategies continue to evolve, we work to continue to update our understanding of key discrimination risks and our approach to preventing discrimination risks in our business strategies and execution.

Taxation Policies and Standards

Citi operates in nearly 100 countries and strictly abides by all tax laws in the U.S. and throughout the world. We are a current income taxpayer, both within and outside the U.S. Our tax profile is consistent with the locations of our business operations, and our review and escalation processes enable us to adhere to high standards of compliance with applicable tax laws.

We emphasize strong internal controls and transparency with global tax authorities and share information relevant to our tax profile. We supplement this transparency with additional country-by-country reporting, which is required under the Organisation for Economic Co-operation and Development's action plan to address base erosion and profit shifting. Our tax policy is overseen by our Chief Tax Officer, who reports to the Chief Financial Officer. Tax policies and related matters are reviewed by the Audit Committee of the Board of Directors.

Citi complies with reporting and withholding requirements imposed globally on financial institutions in connection with customer transactions that these institutions intermediate. We have implemented systems and processes to comply with the Foreign Account Tax Compliance Act, and we are in compliance with the Common Reporting Standard in all applicable countries where local implementing guidance has been issued. Similarly, we have a firm-wide policy applicable to customer transactions under which Citi will only engage in a transaction where there is a high degree of certainty that any tax aspects will be accepted by the respective taxing authorities.

Beginning in 2018, the Tax Cuts and Jobs Act of 2017 fundamentally changed the method of taxation of international income earned by Citi. As we receive further interpretive guidance on the provisions of the Act, we continue to apply the same consistent, transparent and responsible approach to tax compliance and governance outlined in this report. For more information on how taxation impacts Citi, see page 114 of our [2018 Form 10-K](#).

Public Policy

We engage directly, and indirectly through trade associations, with governments and elected officials around the world to advocate for public policies that support the interests of our company, clients and employees in the countries and regions where we operate. Guided by our Political Activities Statement, which ensures compliance with all applicable laws and regulations, we promote policies and positions on issues such as trade, cyber security, data localization, tax and financial reforms. Our Government Affairs team members complete annual compliance training, conducted by outside experts, on campaign finance, lobbying and gifts/entertainment rules.

Under U.S. Federal Election Commission rules, Citi's Political Action Committee pools the voluntary contributions of eligible employees to support U.S. political candidates and campaigns that support the financial industry and complementary pro-business policies. This support allows us to take an active role in our country's political process, promote our business goals and strengthen relationships with U.S. policymakers. Annually, we disclose our U.S. political contributions on our [Corporate Governance webpage](#). That page also includes extensive disclosure about our practices pertaining to political contributions and lobbying activities, as well as a regularly updated list of our significant trade and business associations. Our disclosures and contributions are overseen by the Nomination, Governance and Public Affairs Committee of our Board of Directors.



→ What's Ahead

Trust will only increase as a key success factor for our business and our industry in the years ahead. And we can only increase the degree to which we are a trusted partner by focusing on our duty to serve our clients and customers – and by doing so with integrity and transparency. We will continue to invest in building a culture of ethics across the firm that ensures that accountability for responsible business practices that are in the best interest of our clients and customers resides with each and every employee. And we will ensure that our activities contribute to sustainable economic growth, even as institutions like ours face a complex geopolitical environment.



Appendices

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2018 Sustainable Progress Strategy Scorecard

Environmental Finance

Our \$100 Billion Environmental Finance Goal: To lend, invest and facilitate \$100 billion over 10 years toward activities that reduce the impacts of climate change and create environmental solutions

Goal	Metric	By	2018 Progress
Environmental finance goal	\$100 billion	2023	\$95.3B
Environmental impact tracking*	Total annual CO ₂ e emissions avoided		8.5M (MT)
Social impact tracking*	Jobs supported by renewable energy project finance and tax equity activity (includes direct, indirect and induced jobs)		131K jobs
	Annual riders on transit system projects		14B rides
	People serviced by water-quality projects		56M people
	Families serviced by affordable housing activity		5K families

* These potential impacts represent the positive environmental and social benefits of a subset of our environmental finance transactions.

Environmental and Social Risk Management (ESRM)

Manage environmental and social risks and impacts associated with client transactions and our financial products and services

Goal	2018 Progress
ESRM Policy continuous improvements	<ul style="list-style-type: none"> First major U.S. bank to create a U.S. Commercial Firearms Policy requiring applicable clients to follow best practices for the sale of firearms Adopted global coal-fired power generation policy prohibiting project-related finance (except in limited cases of energy poverty) and created approach for sector-wide engagement Revised and expanded Statement on Human Rights, identifying additional salient human rights risks
Internal training	<ul style="list-style-type: none"> Revamped and relaunched our ESRM online training modules, including the Equator Principles Association's e-training module Trained more than 900 employees on ESRM policies and procedures, including targeted trainings on the new U.S. Commercial Firearms Policy
Portfolio-level analysis of high-risk sectors	<ul style="list-style-type: none"> Screened our portfolio for clients covered by the new U.S. Commercial Firearms Policy Direct ESRM engagement with oil and gas clients in Texas, U.S., and Calgary, Canada, on environmental, health and safety performance; climate risk analysis; decarbonization efforts; community engagement; and transparency
Monitoring of emerging risks and trends	<ul style="list-style-type: none"> Ongoing monitoring of Citi portfolio using external ESG data providers and internal criteria to flag higher-risk names for the ESRM Watchlist Tracked developments regarding potential oil and gas development in the Arctic National Wildlife Refuge in Alaska and met with indigenous and environmental stakeholders to listen to concerns
Building global capacity	<ul style="list-style-type: none"> Contributed to the Roundtable on Sustainable Palm Oil (RSPO) Financial Institutions Task Force's enhancement of RSPO Principles and Criteria, including integration of the No Deforestation, No Peat, No Exploitation standard Co-led a training workshop at the UN Biodiversity Conference on effective biodiversity mitigation techniques, which demonstrated industry support for conservation efforts proposed at the conference; training is being replicated for hundreds of biodiversity practitioners around the world

Operations

Minimize our impacts across Citi's entire portfolio of 7,500 owned and leased facilities

Goal	Metric	By	2018 Progress
Environmental footprint	100% use of renewable energy for facilities globally	2020	62%*
	30% reduction in energy consumption (compared with 2005 baseline)	2020	32%
	30% reduction in water consumption (compared with 2005 baseline)	2020	33%
	10% of water used coming from reclaimed or recycled sources	2020	5%
	60% diversion rate of waste to landfill (compared with 2005 baseline)	2020	63%
	33% of global real estate portfolio LEED-certified	2020	25%

* Contracted amount of renewable energy for delivery in 2020

Supply Chain

Work with our suppliers to ensure that they meet high environmental and social standards

Goal	Metric	By	2018 Progress
Establish supply chain policies: • Paper and paper products • IT hardware and e-waste disposal • Travel and logistics	Policies finalized and implemented	2019	<ul style="list-style-type: none"> Attached position statements to existing policies or established new policies Working on establishing alignment with sourcing managers, training, progress metrics and procedures
Update Statement of Supplier Principles	Statement updated and disseminated	2019	<ul style="list-style-type: none"> Formally updated the Statement of Supplier Principles and published it on the Citi website
Integration of Supplier Principles into master contracts	Supplier Principles integrated into 100% of master contracts for suppliers	2019	<ul style="list-style-type: none"> Included the Supplier Principles in 100% of master contracts; working with sourcing leads to integrate the Principles into master contracts moving forward
Corporate Responsibility Questionnaire (CRQ) rolled out to all regions	100% of suppliers complete the CRQ	2019	<ul style="list-style-type: none"> 100% of top-tier suppliers have completed the CRQ; continued to systematize the inclusion of the CRQ within the supplier selection process
Internal/external training	100% of Enterprise Supply Chain (ESC) employees complete training	2019	<ul style="list-style-type: none"> 90% of ESC employees have completed training
	100% of suppliers complete training	2019	<ul style="list-style-type: none"> 90% of all suppliers have completed training



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GRI Content Index

We prepared this report in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We also reported on many disclosures beyond the Core reporting option, including disclosures from the Financial Services Sector Supplement. The following index provides readers with references for where they can find information in this report and other public documents addressing GRI disclosures relevant to our business.

Please visit the [GRI website](#) for the full text of the disclosures and other information on the GRI reporting framework.

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
GRI 101: Foundation 2016 [GRI 101 Does not include any disclosures]			
GRI 102: General Disclosures 2016			
102-1	Name of the organization	Fully	Citigroup Inc.
102-2	Activities, brands, products and services	Fully	<ul style="list-style-type: none"> • Citi at a Glance • 2018 10-K pages 4-5
102-3	Location of headquarters	Fully	388 Greenwich Street, New York, NY 10013
102-4	Location of operations	Fully	<ul style="list-style-type: none"> • Letter from Our CEO • Citi at a Glance • Citi Website – Countries and Jurisdictions
102-5	Ownership and legal form	Fully	<ul style="list-style-type: none"> • 2018 10-K page 4
102-6	Markets served	Fully	<ul style="list-style-type: none"> • Letter from Our CEO • Citi at a Glance • 2018 10-K pages 4-8
102-7	Scale of the organization	Fully	<ul style="list-style-type: none"> • Citi at a Glance • 2018 10-K pages 4-8
102-8	Information on employees and other workers	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Citi's Global Workforce <p>Citi may engage external service providers who may be responsible for performing non-core business activities, or non-employee resources who are employed by an external third party but support Citi processes. These non-employee resources could be working under Citi supervision or be working under the supervision of an external third party in the third party's facility. Citi may engage external service providers or non-employees for a variety of different business purposes, including project-based work for a defined period of time, specialized/niche skill sets that are not readily available, or professional and outsourced services. There are no significant variations in employment numbers (such as seasonal variations in employment).</p>
102-9	Supply chain	Fully	<ul style="list-style-type: none"> • Operations and Supply Chain > Responsible Sourcing
102-10	Significant changes to the organization and its supply chain	Fully	<ul style="list-style-type: none"> • 2018 Annual Report

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



Materiality
Disclosures
Citigroup Inc.

Apr 2019
Service

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
102-11	Precautionary principle or approach	Fully	As discussed in the respective sections of this report, we evaluate and address risks as part of our Environmental and Social Risk Management (ESRM) efforts. Our ESRM Policy prohibits activities we believe pose risks to us, our clients and our stakeholders. This may include taking precautionary actions.
102-12	External initiatives	Fully	<ul style="list-style-type: none"> • CDP • Equator Principles • International Finance Corporation's Environmental and Social Performance Standards • International Finance Corporation's Environmental, Health and Safety Guidelines • International Labour Organization's Core Conventions • Natural Capital Declaration • RE100 • Roundtable on Sustainable Palm Oil • Task Force on Climate-related Financial Disclosures • UN Environment Programme Finance Initiative • UN Global Compact • UN Guiding Principles on Business and Human Rights • UN Sustainable Development Goals • UN Universal Declaration of Human Rights • Wolfsberg Principles
102-13	Membership of associations	Fully	<ul style="list-style-type: none"> • Ethics and Culture > Industry Collaboration • Ethics and Culture > Public Policy
102-14	Statement from senior decision-maker	Fully	<ul style="list-style-type: none"> • Letter from Our CEO
102-15	Key impacts, risks and opportunities	Fully	<ul style="list-style-type: none"> • Letter from Our CEO • Citizenship Approach > Citizenship Governance at Citi • Citizenship Approach > Our Material Issues: Citi in a Global Context • Citi's Sustainable Progress Strategy • 2018 10-K pages 54-63
102-16	Values, principles, standards and norms of behavior	Fully	<ul style="list-style-type: none"> • About This Report • Ethics and Culture • Citi Code of Conduct • Code of Ethics for Financial Professionals
102-17	Mechanisms for advice and concerns about ethics	Fully	<ul style="list-style-type: none"> • Ethics and Culture > Ethics and Culture at Citi • Ethics Hotline
102-18	Governance structure	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • 2019 Proxy Statement pages 29-37 • Board Charters • Corporate Governance Guidelines pages 1, 5 • Nomination, Governance and Public Affairs Committee Charter • Board of Directors



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GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
102-19	Delegating authority	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi 2019 Proxy Statement pages 45-49 Board Charters
102-20	Executive-level responsibility for economic, environmental and social topics	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi 2019 Proxy Statement pages 45-49 Board Charters
102-21	Consulting stakeholders on economic, environmental and social topics	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Citizenship Approach > Stakeholder Engagement at Citi Environmental and Social Risk Management > Case Study: Working to Improve Habitat Conservation and Labor Conditions in the Palm Oil Industry Human Rights > Our Commitment to Respect Human Rights Human Rights > Engaging Stakeholders on Human Rights 2019 Proxy Statement pages 45-49 Board Charters
102-22	Composition of the highest governance body and its committees	Fully	<ul style="list-style-type: none"> 2019 Proxy Statement pages 32-37, 50-64
102-23	Chair of the highest governance body	Fully	<p>The Chairman of the Board is a nonexecutive, independent director.</p> <ul style="list-style-type: none"> 2019 Proxy Statement page 29
102-24	Nominating and selecting the highest governance body	Fully	<ul style="list-style-type: none"> 2019 Proxy Statement pages 45-49 Nomination, Governance and Public Affairs Committee Charter
102-25	Conflicts of interest	Fully	<ul style="list-style-type: none"> 2019 Proxy Statement pages 26, 40, 97
102-26	Role of highest governance body in setting purpose, values and strategy	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi 2019 Proxy Statement page 22
102-27	Collective knowledge of highest governance body	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Human Rights > Our Commitment to Respect Human Rights
102-28	Evaluating the highest governance body's performance	Fully	<ul style="list-style-type: none"> 2019 Proxy Statement pages 45-49 Corporate Governance Guidelines pages 5-6
102-29	Identifying and managing economic, environmental and social impacts	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Citizenship Approach > Stakeholder Engagement at Citi Environmental and Social Risk Management > Policy Implementation Human Rights > Human Rights Due Diligence in Client Transactions Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights Risk Management Committee Charter 2019 Proxy Statement pages 26-37 Nomination, Governance and Public Affairs Committee Charter

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
102-30	Effectiveness of risk management processes	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • Nomination, Governance and Public Affairs Committee Charter
102-31	Review of economic, environmental and social topics	Fully	<p>At least annually</p> <ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • 2019 Proxy Statement page 29
102-32	Highest governance body's role in sustainability reporting	Fully	<ul style="list-style-type: none"> • Executive Vice President, Global Public Affairs
102-33	Communicating critical concerns	Fully	<ul style="list-style-type: none"> • Ethics and Culture > Managing Compliance Risk • Citi Code of Conduct • 2019 Proxy Statement page 42
102-35	Remuneration policies	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Fair Employment Practices • Personnel and Compensation Committee Charter • 2019 Proxy Statement page 65-68
102-36	Process for determining remuneration	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Fair Employment Practices • Personnel and Compensation Committee Charter • 2019 Proxy Statement page 65-68
102-37	Stakeholders' involvement in remuneration	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Our Diversity Priorities • Personnel and Compensation Committee Charter
102-40	List of stakeholder groups	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Stakeholder Engagement at Citi
102-41	Collective bargaining agreements	Fully	<ul style="list-style-type: none"> • Human Rights > Respecting the Human Rights of Our Employees
102-42	Identifying and selecting stakeholders	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Stakeholder Engagement at Citi • Human Rights > Engaging Stakeholders on Human Rights • Ethics and Culture > Industry Collaboration
102-43	Approach to stakeholder engagement	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context • Citizenship Approach > Stakeholder Engagement at Citi • Human Rights > Engaging Stakeholders on Human Rights
102-44	Key topics and concerns raised	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Stakeholder Engagement at Citi • Environmental and Social Risk Management • Human Rights > Our Commitment to Respect Human Rights • Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights • Ethics and Culture > Industry Collaboration
102-45	Entities included in the consolidated financial statements	Fully	<ul style="list-style-type: none"> • 2018 10-K pages 4-5
102-46	Defining report content and topic Boundaries	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context



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GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
102-47	List of material topics	Fully	• Citizenship Approach > Our Material Issues: Citi in a Global Context
102-48	Restatements of information	Fully	Environmental Finance > Impact Data
102-49	Changes in reporting	Fully	There are no significant changes from the previous reporting period.
102-50	Reporting period	Fully	This report covers fiscal and calendar year 2018.
102-51	Date of most recent report	Fully	April 2018
102-52	Reporting cycle	Fully	Annual
102-53	Contact point for questions regarding the report	Fully	Global Public Affairs Citigroup Inc. 388 Greenwich Street New York, NY 10013 citizenship@citi.com
102-54	Claims of reporting in accordance with the GRI Standards	Fully	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	Fully	• GRI Content Index
102-56	External assurance	Fully	We secure external assurance annually for data related to our reporting on the Equator Principles, transactions covered by Environmental and Social Risk Management reviews, and environmental data for our operations. • Assurance
Economic performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	• Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	• Citizenship Approach > Citizenship Governance at Citi • 2018 10-K pages 6-8
	103-3 Evaluation of the management approach	Fully	• Citizenship Approach > Citizenship Governance at Citi • 2018 10-K pages 6-8
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Fully	• 2018 10-K pages 6-8
	201-2 Financial implications and other risks and opportunities due to climate change	Fully	• Citizenship Approach > Citi's Support for Global Climate-Related Disclosures • Environmental Finance > Citi's \$100 Billion Environmental Finance Goal • Environmental and Social Risk Management > Climate-Related Risk • Operations and Supply Chain > Resource Use and Environmental Impacts • 2018 10-K page 71
	201-3 Defined benefit plan obligations and other retirement plans	Fully	• Citi Benefits Online

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
Market Presence			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citi's Value Proposition Citizenship Approach > Citizenship Governance at Citi 2018 10-K pages 4-8
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Citi's Value Proposition Citizenship Approach > Citizenship Governance at Citi 2018 10-K pages 4-8
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Fully	We provide competitive levels of compensation that meet or exceed local minimum wage requirements. Competitive wages and benefit programs may vary according to country and/or location. Most employees are hired locally.
	202-2 Proportion of senior management hired from the local community	Fully	Most employees are hired locally. When hiring for senior management, we may consider qualified candidates from across the globe.
Indirect economic impacts			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Inclusive and Resilient Communities Environmental Finance
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Inclusive and Resilient Communities Environmental Finance > Working Toward Our Goal
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Inclusive and Resilient Communities Environmental Finance > Environmental and Social Impacts Achieved Through Our \$100 Billion Goal
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Fully	<ul style="list-style-type: none"> Inclusive and Resilient Communities > Infrastructure Inclusive and Resilient Communities > Affordable Housing and Homeownership Environmental Finance
	203-2 Significant indirect economic impacts	Fully	<ul style="list-style-type: none"> Citi's Value Proposition Inclusive and Resilient Communities Environmental Finance > Environmental and Social Impacts Achieved Through Our \$100 Billion Goal



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GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Ethics and Culture > Ethics and Culture at Citi Ethics and Culture > Managing Compliance Risk
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Ethics and Culture > Ethics and Culture at Citi Ethics and Culture > Managing Compliance Risk
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Fully	<ul style="list-style-type: none"> Ethics and Culture > Managing Compliance Risk Anti-Bribery and Corruption Statement
	205-2 Communication and training about anti-corruption policies and procedures	Fully	<p>We do not report quantitatively on training for management or business partners.</p> <ul style="list-style-type: none"> Ethics and Culture > Ethics and Culture at Citi Ethics and Culture > Managing Compliance Risk Anti-Bribery and Corruption Statement
Anti-competitive behavior			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi 2018 10-K pages 54-57, 276-282
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi 2018 10-K pages 54-57, 276-282
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Fully	<ul style="list-style-type: none"> 2018 10-K pages 54-57, 276-282
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Citizenship Approach > Citizenship Governance at Citi Operations and Supply Chain > Resource Use and Environmental Impacts Citi's Sustainable Progress Strategy
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Operations and Supply Chain > Resource Use and Environmental Impacts Sustainable Progress Strategy Scorecard

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
	302-3 Energy intensity	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Impact Report
	302-4 Reduction of energy consumption	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Citizenship Approach > Citizenship Governance at Citi Operations and Supply Chain > Resource Use and Environmental Impacts Citi's Sustainable Progress Strategy
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citi's Support for Global Climate-Related Disclosures Citizenship Approach > Citizenship Governance at Citi Operations and Supply Chain > Resource Use and Environmental Impacts Sustainable Progress Strategy Scorecard
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
	305-2 Energy indirect (Scope 2) GHG emissions	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Performance for Operations
	305-3 Other indirect (Scope 3) GHG emissions	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Impact Report
	305-4 GHG emissions intensity	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Impact Report
	305-5 Reduction of GHG emissions	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Environmental Performance for Operations Operations and Supply Chain > Environmental Impact Report
Effluents and waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Operations and Supply Chain > Resource Use and Environmental Impacts Citi's Sustainable Progress Strategy
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Resource Use and Environmental Impacts Sustainable Progress Strategy Scorecard
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Fully	<p>Citi did not generate any hazardous waste during the reporting period.</p> <ul style="list-style-type: none"> Operations and Supply Chain > Environmental Impact Report



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GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
Supplier environmental assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • Operations and Supply Chain > Responsible Sourcing • Citi's Sustainable Progress Strategy
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> • Operations and Supply Chain > Responsible Sourcing • Sustainable Progress Strategy Scorecard
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Fully	<ul style="list-style-type: none"> • Operations and Supply Chain > Supplier Engagement and Evaluation • Sustainable Progress Strategy Scorecard
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • Talent and Diversity > Our Diversity Priorities
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Our Diversity Priorities
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Citi's Global Workforce
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Workforce Well-Being • Citi Benefits Online
Training and education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context • Talent and Diversity > Development and Retention
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • Talent and Diversity > Development and Retention
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> • Talent and Diversity > Development and Retention

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Fully	<ul style="list-style-type: none"> Talent and Diversity > Learning and Evaluation Talent and Diversity > Global Employee Training 2018
	404-2 Programs for upgrading employee skills and transition assistance programs	Fully	<ul style="list-style-type: none"> Talent and Diversity > Learning and Evaluation
	404-3 Percentage of employees receiving regular performance and career development reviews	Fully	<ul style="list-style-type: none"> Talent and Diversity > Learning and Evaluation
Diversity and equal opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Human Rights > Respecting the Human Rights of Our Employees Talent and Diversity > Our Diversity Priorities
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting the Human Rights of Our Employees Talent and Diversity > Our Diversity Priorities Talent and Diversity > Fair Employment Practices
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Talent and Diversity > Our Diversity Priorities Talent and Diversity > Fair Employment Practices
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Fully	<ul style="list-style-type: none"> 2019 Proxy Statement page 30 Board of Directors
Freedom of association and collective bargaining			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Human Rights > Respecting the Human Rights of Our Employees
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Human Rights > Respecting the Human Rights of Our Employees Talent and Diversity > Fair Employment Practices
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Human Rights > Respecting the Human Rights of Our Employees Talent and Diversity > Fair Employment Practices
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Fully	<ul style="list-style-type: none"> Human Rights > Respecting the Human Rights of Our Employees



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GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
Child labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Human Rights > Respecting the Human Rights of Our Employees Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners Human Rights > Respecting Human Rights in Our Financing Decisions
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Human Rights > Respecting the Human Rights of Our Employees Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners Human Rights > Respecting Human Rights in Our Financing Decisions
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Fully	We have not identified any operations as having significant risk for incidents of child labor. Our business overall is not at high risk because of the nature of work in the financial services industry. In addition, we do not directly source high-risk agricultural commodities, conflict minerals or any other raw materials, goods or services in significant amounts from suppliers in high-risk jurisdictions.
Forced or compulsory labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Human Rights > Our Commitment to Respect Human Rights Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners Human Rights > Respecting Human Rights in Our Financing Decisions
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners Human Rights > Respecting Human Rights in Our Financing Decisions
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners Human Rights > Respecting Human Rights in Our Financing Decisions
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Fully	We have not identified any operations as having significant risk for incidents of forced or compulsory labor. Our own business operations are not at high risk because of the nature of work in the financial services industry; however, we have flagged institutional clients where due diligence indicates the possibility of some occurrence of forced labor or compulsory labor and have taken appropriate mitigating steps. In addition, while we do not directly source high risk agricultural commodities, conflict minerals, or other raw materials in significant amounts from suppliers in high risk jurisdictions, we have identified EMEA-based suppliers that, based on their sector and geography, are more at risk for the occurrence of forced labor or human trafficking than other suppliers in other sectors and geographies. We have prioritized our engagement with those higher-risk suppliers to further mitigate potential risk. <ul style="list-style-type: none"> Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
Rights of indigenous peoples			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting Human Rights in Our Financing Decisions
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Human Rights > Respecting Human Rights in Our Financing Decisions
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous Peoples	Fully	<ul style="list-style-type: none"> Environmental and Social Risk Management > Policy Implementation Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights
Human rights assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Human Rights > Our Commitment to Respect Human Rights Human Rights > Respecting the Human Rights of Our Employees Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners Human Rights > Respecting Human Rights in Our Financing Decisions Citi Statement on Human Rights Citi Statement of Supplier Principles Citi Standards for Suppliers
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Human Rights > Respecting the Human Rights of Our Employees Human Rights > Respecting Human Rights in Our Financing Decisions Operations and Supply Chain > Supplier Engagement and Evaluation
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Fully	<ul style="list-style-type: none"> Environmental and Social Risk Management > Policy Implementation Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights
	412-2 Employee training on human rights policies or procedures	Fully	<ul style="list-style-type: none"> Environmental and Social Risk Management > Enhancing Our Training Human Rights > Respecting the Human Rights of Our Employees Citi Code of Conduct
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Fully	<ul style="list-style-type: none"> Human Rights > Respecting Human Rights in Our Financing Decisions Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights



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GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
Local communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Inclusive and Resilient Communities Environmental Finance Environmental and Social Risk Management Operations and Supply Chain
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Inclusive and Resilient Communities Environmental Finance Environmental and Social Risk Management > Our ESRM Policy Operations and Supply Chain > Employee Engagement
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Inclusive and Resilient Communities Environmental Finance > Environmental and Social Impacts Achieved Through Our \$100 Billion Goal Environmental and Social Risk Management > Policy Implementation Operations and Supply Chain > Employee Engagement
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Partially	<ul style="list-style-type: none"> Citizenship Approach > Stakeholder Engagement at Citi Inclusive and Resilient Communities Environmental and Social Risk Management > Monitoring the Changing Risk Landscape Human Rights > Engaging Stakeholders on Human Rights Human Rights > Human Rights Due Diligence in Client Transactions
	413-2 Operations with significant actual and potential negative impacts on local communities	Fully	<ul style="list-style-type: none"> Environmental and Social Risk Management > Policy Implementation Environmental and Social Risk Management > Monitoring the Changing Risk Landscape Operations and Supply Chain > Supplier Engagement and Evaluation
Financial Sector Supplement	FS13 Access points in low-populated or economically disadvantaged areas by type	Fully	<ul style="list-style-type: none"> Inclusive and Resilient Communities > Financial Inclusion Digital Innovation > Customer-Centric Solutions
	FS14 Initiatives to improve access to financial services for disadvantaged people	Fully	<ul style="list-style-type: none"> Inclusive and Resilient Communities > Financial Inclusion Digital Innovation > Customer-Centric Solutions
Supplier social assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Operations and Supply Chain > Responsible Sourcing
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Operations and Supply Chain > Supplier Engagement and Evaluation Citi's Sustainable Progress Strategy
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Sustainable Progress Strategy Scorecard

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Fully	<ul style="list-style-type: none"> Operations and Supply Chain > Supplier Engagement and Evaluation Sustainable Progress Strategy Scorecard
Public policy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Ethics and Culture > Public Policy Citi Political Activities Statement
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Ethics and Culture > Public Policy Citi Political Activities Statement
GRI 415: Public Policy 2016	415-1 Political contributions	Fully	<ul style="list-style-type: none"> Citi U.S. Political Contributions
Marketing and labeling			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Citizenship Approach > Citizenship Governance at Citi Ethics and Culture > Serving Our Customers and Clients Responsibly
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context Ethics and Culture > Serving Our Customers and Clients Responsibly
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Fully	<ul style="list-style-type: none"> Ethics and Culture > Serving Our Customers and Clients Responsibly
Customer privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> Digital Innovation > Safeguarding Data and Protecting Customer Information Citi Code of Conduct Citi Online Privacy Statement Citi Security Center
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> Digital Innovation > Safeguarding Data and Protecting Customer Information Citi Code of Conduct Citi Online Privacy Statement Citi Security Center



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GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Fully	<ul style="list-style-type: none"> • Digital Innovation > Safeguarding Data and Protecting Customer Information
Socioeconomic compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • Ethics and Culture > Managing Compliance Risk • Ethics and Culture > Serving Our Customers and Clients Responsibly • 2018 10-K pages 56-64
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> • Ethics and Culture > Managing Compliance Risk • Ethics and Culture > Serving Our Customers and Clients Responsibly • 2018 10-K pages 56-64
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Fully	<ul style="list-style-type: none"> • 2018 10-K pages 56-64 • 2018 Annual Report

GRI Standard	Disclosure Number and Title	Reporting Status	Report Section or Other Documentation
FINANCIAL SECTOR SUPPLEMENT			
Product Portfolio			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context
	103-2 The management approach and its components	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • Inclusive and Resilient Communities > Financial Inclusion • 2018 10-K pages 6-14
	103-3 Evaluation of the management approach	Fully	<ul style="list-style-type: none"> • Citizenship Approach > Citizenship Governance at Citi • Inclusive and Resilient Communities > Financial Inclusion • 2018 10-K pages 6-14
Financial Sector Supplement	FS6 Percentage of the portfolio for business lines by specific region, size (e.g., micro/SME/large) and by sector	Fully	<ul style="list-style-type: none"> • 2018 10-K pages 6-14
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Fully	<ul style="list-style-type: none"> • Environmental Finance > Citi's \$100 Billion Environmental Finance Goal • Environmental Finance > Environmental and Social Impacts Achieved Through Our \$100 Billion Goal • Sustainable Progress Strategy Scorecard



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Task Force on Climate-related Financial Disclosures Index

In 2018, Citi published *Finance for a Climate-Resilient Future* – a detailed report of our activities and progress in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The release of that report and our participation in a UN Environment Finance Initiative pilot project to implement the recommendations related to climate scenario analysis, as outlined in more detail in this [report](#), are important aspects of Citi's commitment to transparency and strategic management of our risks and opportunities. We also continue to highlight relevant climate disclosures in this Global Citizenship Report.

The following table indicates where readers can find information that addresses the TCFD requirements, either in this report or other publicly available documents.

Disclosure	Report Section or Other Documentation
Governance	<ul style="list-style-type: none"> a) Describe the Board's oversight of climate-related risks and opportunities. • Citizenship Approach > Citizenship Governance at Citi • Nomination, Governance and Public Affairs Committee Charter, page 3
	<ul style="list-style-type: none"> b) Describe management's role in assessing and managing climate-related risks and opportunities. • Citizenship Approach > Citizenship and Sustainability Governance
Strategy	<ul style="list-style-type: none"> a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. • Environmental Finance • Environmental and Social Risk Management • Citi's Sustainable Progress Strategy • Citi's Environmental and Social Policy Framework • Finance for a Climate-Resilient Future
	<ul style="list-style-type: none"> b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. • Environmental Finance • Environmental and Social Risk Management • Citi's Sustainable Progress Strategy • Citi's Environmental and Social Policy Framework • Finance for a Climate-Resilient Future
	<ul style="list-style-type: none"> c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. • Citizenship Approach > Citi's Support for Global Climate-Related Disclosures • Finance for a Climate-Resilient Future

"Integrating climate analyses into financial institutions' work is a positive development that will allow for smarter long-term planning and more transparent reporting to stakeholders. We are proud of the hard work that Citi and our industry colleagues have put toward these efforts thus far and look forward to continuing to work with them."

– Brandee McHale, Head of Corporate Citizenship, Citi and Co-Chair of UN Environment Finance Initiative Global Steering Committee

Disclosure	Report Section or Other Documentation
Risk Management	<ul style="list-style-type: none"> a) Describe the organization's processes for identifying and assessing climate-related risks. <ul style="list-style-type: none"> • Environmental and Social Risk Management • Citi's Sustainable Progress Strategy • Citi's Environmental and Social Policy Framework b) Describe the organization's processes for managing climate-related risks. <ul style="list-style-type: none"> • Environmental and Social Risk Management • Operations and Supply Chain • Citi's Sustainable Progress Strategy • Citi's Environmental and Social Policy Framework c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management. <ul style="list-style-type: none"> • Citizenship Approach > Our Material Issues: Citi in a Global Context • Environmental and Social Risk Management • 2018 10-K pages 71 and 295 • Citi's Environmental and Social Policy Framework
Metrics and Targets	<ul style="list-style-type: none"> a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. <ul style="list-style-type: none"> • Environmental Finance • Environmental and Social Risk Management • Operations and Supply Chain > 2020 Goals • Citi's Environmental and Social Policy Framework b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks. <ul style="list-style-type: none"> • Operations and Supply Chain > Environmental Performance for Operations • Operations and Supply Chain > Environmental Impact Report c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. <ul style="list-style-type: none"> • Operations and Supply Chain > 2020 Goals • Operations and Supply Chain > Environmental Performance for Operations



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United Nations Global Compact Index

This report serves as our 2018 communication on progress for the United Nations Global Compact (UNGC). Citi joined the UNGC in 2010, and we continue to embed the Compact's 10 principles across our business and report on activities related to human rights, labor issues, the environment and anti-corruption.

UNGC Principle	Report Section or Other Documentation
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> • Human Rights > Our Commitment to Respect Human Rights • Citi Code of Conduct • Citi Statement on Human Rights
Principle 2: make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> • Environmental and Social Risk Management > Our ESRM Policy • Environmental and Social Risk Management > Policy Implementation • Environmental and Social Risk Management > Monitoring the Changing Risk Landscape • Human Rights • Citi Statement on Human Rights
Labor	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> • Human Rights > Respecting the Human Rights of Our Employees • Citi Statement on Human Rights
Principle 4: the elimination of all forms of forced and compulsory labor;	<ul style="list-style-type: none"> • Environmental and Social Risk Management > Case Study: Working to Improve Habitat Conservation and Labor Conditions in the Palm Oil Industry • Human Rights > Our Commitment to Respect Human Rights • Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners • Human Rights > Respecting Human Rights in Our Financing Decisions • Citi Statement on Human Rights • Citi Statement of Supplier Principles • Citi Standards for Suppliers
Principle 5: the effective abolition of child labor; and	<ul style="list-style-type: none"> • Environmental and Social Risk Management > Case Study: Working to Improve Habitat Conservation and Labor Conditions in the Palm Oil Industry • Human Rights > Our Commitment to Respect Human Rights • Human Rights > Respecting Human Rights in Our Financing Decisions • Citi Statement on Human Rights • Citi Statement of Supplier Principles • Citi Standards for Suppliers

UNGC Principle	Report Section or Other Documentation
Principle 6: the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> • Human Rights > Respecting the Human Rights of Our Employees • Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners • Talent and Diversity > Fair Employment Practices • Citi Code of Conduct • Citi Statement on Human Rights
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> • Citizenship Approach > Citi's Support for Global Climate-Related Disclosures • Environmental and Social Risk Management > Our ESRM Policy • Environmental and Social Risk Management > Policy Implementation • Environmental and Social Risk Management > Monitoring the Changing Risk Landscape • Environmental and Social Risk Management > Climate-Related Risk
Principle 8: undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> • Environmental Finance • Operations and Supply Chain
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> • Environmental Finance
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> • Digital Innovation > Case Study: Tech for Integrity • Ethics and Culture > Managing Compliance Risk • Anti-Bribery and Corruption Program • Citi Code of Conduct

"Citi supports the 10 principles of the United Nations Global Compact as an important part of its business strategy and ethical culture. Our participation in this important initiative, which binds signatories from around the world to a common set of principles of responsibility, reinforces our commitment to corporate citizenship and sustainability."

– Michael L. Corbat, Chief Executive Officer, Citigroup Inc.



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United Nations Guiding Principles Reporting Framework Index

We have included information and disclosures in this report aligned with the United Nations Guiding Principles reporting framework. This reflects our support of the UN Guiding Principles on Business and Human Rights and our commitment to transparency and accountability regarding our human rights-related activities and policies. The following table indicates where readers can find information that addresses the framework requirements, either in this report or other publicly available documents.

Section of the Framework		Report Section or Other Documentation
Part A: Governance of respect for human rights		
Policy commitment	A1	What does the company say publicly about its commitment to respect human rights?
	A1.1	How has the public commitment been developed?
	A1.2	Whose human rights does the public commitment address?
	A1.3	How is the public commitment disseminated?
Embedding respect for human rights	A2	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?
	A2.1	How is day-to-day responsibility for human rights performance organized within the company, and why?
	A2.2	What kinds of human rights issues are discussed by senior management and by the Board, and why?
	A2.3	How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?

Section of the Framework		Report Section or Other Documentation
Embedding respect for human rights	A2.4	<p>How does the company make clear in its business relationships the importance it places on respect for human rights?</p> <ul style="list-style-type: none"> • Environmental and Social Risk Management > Policy Implementation • Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners • Human Rights > Respecting Human Rights in Our Financing Decisions • Operations and Supply Chain > Responsible Sourcing • Citi Standards for Suppliers • Citi Statement of Supplier Principles
	A2.5	<p>What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?</p> <ul style="list-style-type: none"> • Human Rights > Our Commitment to Respect Human Rights • Human Rights > Respecting the Human Rights of Our Employees • Human Rights > Extending Respect for Human Rights Through Our Suppliers and Partners • Human Rights > Respecting Human Rights in Our Financing Decisions

Part B: Defining the focus of reporting

Statement of salient issues	B1	State the salient human rights issues associated with the company's activities and business relationships during the reporting period.	<ul style="list-style-type: none"> • Human Rights > Our Salient Human Rights Risks • Human Rights > Salient Human Rights Risks: Stakeholder Impacts • Human Rights > Human Rights Due Diligence in Client Transactions • Citi Statement on Human Rights
Determination of salient issues	B2	Describe how the salient human rights issues were determined, including any input from stakeholders.	<ul style="list-style-type: none"> • Human Rights > Our Salient Human Rights Risks
Choice of focal geographies	B3	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	<p>This report provides a breakdown of our human rights due diligence for several salient risks at the project level and a separate breakdown of our due diligence of these and other environmental and social risks at a regional level for purposes of fulfilling the transparency requirements of the Equator Principles.</p> <ul style="list-style-type: none"> • Human Rights > Transactions Reviewed Under Citi's Statement on Human Rights • Environmental and Social Risk Management > 2018 Projects Covered by the Equator Principles



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Section of the Framework	Report Section or Other Documentation
Additional severe impacts	B4 Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.
Part C: Management of salient human rights issues	
Specific policies	<p>C1 Does the company have any specific policies that address its salient human rights issues and, if so, what are they?</p> <p>C1.1 How does the company make clear the relevance and significance of such policies to those who need to implement them?</p> <ul style="list-style-type: none"> • Environmental Social and Risk Management > Our ESRM Policy • Environmental and Social Risk Management > Enhancing Our Training • Human Rights > Respecting the Human Rights of Our Employees • Operations and Supply Chain > Supplier Engagement and Evaluation • Citi Code of Conduct • Citi Standards for Suppliers
Stakeholder engagement	<p>C2 What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?</p> <p>C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?</p> <ul style="list-style-type: none"> • Citizenship Approach > Stakeholder Engagement at Citi • Human Rights > Engaging Stakeholders on Human Rights <p>C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?</p> <ul style="list-style-type: none"> • Human Rights > Our Commitment to Respect Human Rights • Human Rights > Engaging Stakeholders on Human Rights <p>C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?</p> <ul style="list-style-type: none"> • Human Rights > Our Commitment to Respect Human Rights • Human Rights > Engaging Stakeholders on Human Rights

Section of the Framework		Report Section or Other Documentation
Assessing impacts	C3	<p>How does the company identify any changes in the nature of each salient human rights issue over time?</p>
	C3.1	<p>During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?</p>
	C3.2	<p>During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?</p>
Integrating findings and taking action	C4	<p>How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?</p>
	C4.1	<p>How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?</p>
	C4.2	<p>When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?</p>
Tracking performance	C4.3	<p>During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?</p>
	C5	<p>How does the company know if its efforts to address each salient human rights issue are effective in practice?</p>
	C5.1	<p>What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?</p> <p>In 2018, we identified risks of impacts to Indigenous Peoples, forced labor and child labor in a number of transactions. We took steps to mitigate the risks of those impacts or otherwise declined involvement in those transactions or ceased our relationships with those clients.</p> <ul style="list-style-type: none"> Human Rights > Case Study: Applying Our Policies to Protect Human Rights and Reduce Risk



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Section of the Framework		Report Section or Other Documentation
Remediation		
C6	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	
C6.1	Through what means can the company receive complaints or concerns related to each salient issue?	<ul style="list-style-type: none"> • Human Rights > Respecting the Human Rights of Our Employees • Human Rights > Human Rights Due Diligence in Client Transactions • Ethics and Culture > Escalating Business and Ethical Concerns • Citi Code of Conduct • Citi Standards for Suppliers
C6.2	How does the company know if people feel able and empowered to raise complaints or concerns?	<ul style="list-style-type: none"> • Human Rights > Human Rights Due Diligence in Client Transactions • Ethics and Culture > Ethics Program • Ethics and Culture > Spotlight on Ethics • Ethics and Culture > Escalating Business and Ethical Concerns
C6.3	How does the company process complaints and assess the effectiveness of outcomes?	<ul style="list-style-type: none"> • Human Rights > Human Rights Due Diligence in Client Transactions • Ethics and Culture > Ethics Program • Ethics and Culture > Escalating Business and Ethical Concerns • Citi Code of Conduct
C6.4	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	<ul style="list-style-type: none"> • Human Rights > Our Commitment to Respect Human Rights • Human Rights > Identifying Human Rights Risks in Transactions
C6.5	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	<ul style="list-style-type: none"> • Human Rights > Providing Access to Remedy

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Greenhouse Gas and Environmental Data Verification

Statement Number

UK.PRS.VOL.INV.0100.2018/2018/03/19

The inventory of greenhouse gas emissions and environmental data in the period
1st January 2018 – 31st December 2018 for

Citigroup, Inc.

388 Greenwich Street
New York, NY, 10013

has been verified in accordance with ISO 14064-3:2006

To represent a total amount of:

22,307 tCO₂e of GHG emissions Scope 1
635,345 tCO₂e of GHG emissions Scope 2 (location based)
496,984 tCO₂e of GHG emissions Scope 2 (market based)
657,652 tCO₂e of total GHG emissions Scopes 1 and 2, based on Scope 2
location based emissions
149,815 tCO₂e of GHG emissions Scope 3

1,368.76 GWh of electricity consumption
52.49 GWh of district heating and cooling
70.63 GWh of natural gas and LPG
28.61 GWh of fuel oil and diesel
10,889 metric tonnes of waste diverted from landfill
36,708 metric tonnes of total waste
4,238,898 cubic meters of potable water consumed
240,941 cubic meters of non-potable water consumed

The inventory of Greenhouse Gas emissions has been verified as meeting the requirements of the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard

For the following activities
Banking and Finance
Lead Assessor: Clare Robertson
Technical Reviewer: Peter Simmonds

Jonathan M Hall

Signed: Jonathan Hall
Business Manager
SGS United Kingdom Ltd
Verification Statement Date: 25/03/2019
This Statement is not valid without the full verification scope, objectives, criteria and conclusion available on pages 2 to 4 of this Statement.



GP5024 Issue



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Schedule Accompanying Greenhouse Gas and Environmental Data Verification Statement Number UK.PRS.VOL.INV.0100.2018/2018/03/19

BRIEF DESCRIPTION OF VERIFICATION PROCESS

SGS has been contracted by Citigroup, Inc. for the verification of direct and indirect carbon dioxide (CO₂) equivalent emissions and environmental data as provided by Citigroup, Inc., 388 Greenwich Street, New York in their GHG Assertion in the form of a Management Assertion covering CO₂ equivalent emissions and environmental data.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing; sustainability report assurance and greenhouse gases verification. SGS affirms our independence from Citigroup Inc., being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised Lead Verifiers in Greenhouse Gases and Environmental Data Reporting.

ROLES AND RESPONSIBILITIES

The management of Citigroup, Inc. is responsible for the organisation's GHG and environmental data information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation, determination and reporting of GHG emissions and environmental data information.

It is SGS' responsibility to express an independent verification opinion on the GHG emissions and environmental data as provided in the Citigroup, Inc. Assertion for the period 1st January 2018 – 31st December 2018. As independent auditors to Citigroup Inc. our work was conducted based on current best practice in independent verification and in accordance with SGS policies regarding impartiality and independence. SGS has no conflict of interest in relation to providing these services to Citigroup Inc.

SGS conducted a third-party verification following the requirements of ISO 14064-3: 2006 of the provided CO₂ equivalent and environmental data assertion during the period January to March 2019.

The assessment included a desk review with remote verification conducted at SGS offices. The verification was based on the verification scope, objectives and criteria as agreed between Citigroup, Inc. and SGS and presented in the RFP issued March 2019.

LEVEL OF ASSURANCE

The level of assurance agreed is a limited level of assurance



SCOPE

Citigroup, Inc. has commissioned an independent verification by SGS of reported CO₂ equivalent emissions and environmental data arising from their activities, to establish conformance with the requirements of the WRI/WBCSD GHG Protocol for CO₂ equivalent emissions and the principles of completeness, transparency, accuracy, consistency and relevance for environmental data, within the scope of the verification as outlined below. Data and information supporting the CO₂ equivalent and environmental data assertion were historical and estimated in nature and proven by evidence.

This engagement covers verification of emissions from anthropogenic sources of greenhouse gases and other environmental data included within the organisation's boundary and meets the requirements of ISO 14064-3:2006.

- The organisational boundary was established following the operational control approach.
 - Title or description of activities: Banking and Finance.
 - Location/boundary of the activities: Global
 - Physical infrastructure, activities, technologies and processes of the organisation: Data Centres, Offices, Operation Centres, Retail Services, and Retail non-serviced facilities.
 - ◆ GHG sources, sinks and/or reservoirs included:
Scope 1 - Stationary combustion in owned, leased and sub-leased locations.
(transportation fleet, fugitive and refrigerant emissions are excluded from the inventory);
Scope 2 – Purchased electricity and district heating and cooling;
Scope 3 – Business Travel (air and rail)
 - Types of GHGs included: CO₂, N₂O, CH₄
 - Directed actions: none.
 - Types of environmental data included: electricity consumption, district heating (steam & chilled water), natural gas consumption, fuel oil consumption, waste diverted from landfill, total waste and water (potable and non-potable) consumed
- Intended user of the verification statement: Internal and external stakeholders

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**OBJECTIVE**

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the CO₂ equivalent emissions and environmental data are as declared by the organisation's assertion
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission
- The implementation of Citigroup, Inc systems & procedures for the management and reporting of environmental data and the calculation of greenhouse gas emissions.

CRITERIA

Criteria against which the verification assessment is undertaken are the requirements of the WRI/WBCSD GHG Protocol (for CO₂ equivalent emissions only), the GHG Inventory and environmental data methodology as defined by Citigroup, Inc., and the principles of completeness, transparency, accuracy, consistency and relevance.

MATERIALITY

The materiality required of the verification was considered by SGS to be below 10%, based on the needs of the intended user of the GHG and environmental data Assertion

CONCLUSION

Citigroup, Inc. provided the GHG and environmental data Assertion based on the requirements of the WRI/WBCSD GHG Protocol, the Citigroup, Inc. methodology and the principles of completeness, transparency, accuracy, consistency and relevance. The GHG and environmental data information for the period 1st January 2018 – 31st December 2018 disclosing:

22,307 tCO₂e of GHG emissions Scope 1
 635,345 tCO₂e of GHG emissions Scope 2 (location based)
 496,984 tCO₂e of GHG emissions Scope 2 (market based)
 657,652 tCO₂e of total GHG emissions Scopes 1 and 2, based on Scope 2 location based emissions
 519,291 tCO₂e of total GHG emissions Scopes 1 and 2, based on Scope 2 market based emissions
 149,815 tCO₂e of GHG emissions Scope 3

1,368.76 GWh of electricity consumption
 52.49 GWh of district heating and cooling (steam & chilled water)
 70.63 GWh of natural gas and LPG
 28.61 GWh of fuel oil and diesel
 10,889 metric tonnes of waste diverted from landfill
 36,708 metric tonnes of total waste
 4,238,898 cubic meters of potable water consumed, and
 240,941 cubic meters of non-potable water consumed

are verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria.



SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of emission and environmental data information.

SGS concludes with limited assurance that there is no evidence to suggest that the reported CO₂ equivalent and environmental data assertion is not materially correct and is not a fair representation of GHG and environmental data and information based on the calculation methodologies utilised.

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a limited level of assurance that the CO₂ equivalent emissions and environmental data for the period 1st January 2018 – 31st December 2018 are fairly stated.

This statement shall be interpreted with the CO₂ equivalent and environmental data assertion of Citigroup, Inc. as a whole.

Note: This Statement is issued, on behalf of Client, by SGS United Kingdom Ltd, Rossmore Business Park, Inward Way, Ellesmere Port, Cheshire, CH65 3EN ("SGS") under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement and the supporting Assertion may be consulted at Citigroup, Inc., 388 Greenwich Street, New York, NY 10013. This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.



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ASSURANCE STATEMENT

SGS REPORT ON CITIGROUP INC.'S "CITI'S 2018 GLOBAL CITIZENSHIP REPORT", SECTION "2018 PROJECTS COVERED BY THE EQUATOR PRINCIPLES"**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**

SGS was commissioned by Citigroup Inc. to conduct an independent assurance of the "Citi's 2018 Global Citizenship Report", section "2018 Projects Covered by the Equator Principles". The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the "Citi's 2018 Global Citizenship Report" of Citigroup Inc. and its presentation are the responsibility of the directors and the management of Citigroup Inc. SGS has not been involved in the preparation of any of the material included in the "Citi's 2018 Global Citizenship Report". Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Citigroup Inc.'stakeholders.

The SGS protocols are based upon the internationally recognized Assurance Standard ISAE 3000. This standard follows differing options for Assurance depending on the context and capabilities of the Reporting Organization. This report has been assured at a limited level of scrutiny using our protocols for evaluation of content veracity and the alignment to the Equator Principles III and the internal policies and procedures of Citigroup Inc.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees; documentation and record review and the evaluation of the report for the alignment to the Equator Principles III.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing; sustainability report assurance and greenhouse gases verification. SGS affirms our independence from Citigroup Inc., being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised a Lead Assuror for Sustainability Reporting, Lead Verifier in Greenhouse Gases, and Principal Auditor registered with IRCA (International Register of Certificated Auditors) in Environmental, Quality, Occupational Health & Safety, and Social Systems.

ASSURANCE OPINION

Based on the methodology described and the verification work performed on the "Citi's 2018 Global Citizenship Report", section "2018 Projects Covered by the Equator Principles", we did not observe any circumstance that made us believe that the information and data contained within is inaccurate, unreliable, or does not provide a fair and balanced representation of Citigroup Inc.' activities in 2018. The assurance team is of the opinion that the Report can be used by the Citigroup Inc.' Stakeholders. We believe that Citigroup Inc. has chosen an appropriate level of assurance.

CONCLUSIONS WITH REGARDS TO EQUATOR PRINCIPLES III REPORTING DATA FOR 2018

In our opinion the "Citi's 2018 Global Citizenship Report" reported information of the EP Implementation, detailed at the section "2018 Projects Covered by Equator Principles" is presented in accordance with the Equator Principles III, Annex B "Minimum Reporting Requirement" (the Reporting Criteria). SGS based this opinion in the review of Citi's internal documents, including guides, standards, procedures, manuals, spreadsheets, and a sample of EP-covered financial products and their respective EP checklists and Independent Reviews when needed.

Citigroup Inc. reported information is aligned to the EP Reporting Criteria requirements as follows:

- Public Reporting of the EP-covered financial products separately: Project Finance Advisory Services, Project Finance Loans, Project-Related Corporate Loans and Bridge Loans
- The loans were categorized as A, B or C, dependent on the environmental and social risks posed.
- Total number of Project Finance Loans and Project-Related Corporate Loans that reached Financial Close during the reporting period (2018)
- The Project Finance Loans and Project-Related Corporate Loans were broken down by: Sector, Region, Country Designation, and whether an Independent Review has been carried out or not.
- Independent review is required for A projects and, for B projects when needed. All projects category A and most of the projects category B had an Independent Review conducted.
- The EP transactions were over the threshold of 10 million USD for the Project Capital Cost required in the Equator Principles III for project finance loans, and over 100 million USD for Project-Related Corporate Loans.

Signed:
For and on behalf of SGS



Ursula Antunez de Mayolo Corzo
SGS Lead Sustainability Report Assuror
27th March, 2019
www.sgs.com



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