

Sustainable Progress

Citi's Five-Year Sustainability Strategy

February 2015

**Environmental
Finance**



**Environmental &
Social Risk Management**



**Operations &
Supply Chain**



**Engagement &
Transparency**



Citi's mission is to enable progress. Guiding us in this mission are our core values of Common Purpose, Responsible Finance, Leadership and Ingenuity. To help fulfill this mission and under the guidance of these values, Citi seeks to advance environmental and social progress and conduct business in a way that creates value for our company and for future generations. We will achieve our vision of sustainable progress through continued industry leadership and engagement, by partnering with our clients and by leveraging our global talent. We look for solutions that are client-centered, scalable, and have the potential for global impact.

Citi's five-year sustainability strategy sets out its business drivers for sustainability and the priority thematic areas of Climate Change, Sustainable Cities, and People and Communities. The strategy also includes key quantitative and qualitative sustainability goals to be accomplished in medium- to longer-term time frames. We will engage with our clients, investors, employees and other stakeholders on an ongoing basis on our strategy and implementation, and we will update the strategy as needed.

Citi's business strategy is built around secular, mutually reinforcing trends that are fundamentally reshaping the economy: globalization, urbanization and digitization.

Business Context

Citi's business strategy is built around mutually reinforcing trends that are fundamentally reshaping the economy: globalization, urbanization and digitization. With its industry-leading global network, presence in the world's top cities and an ambitious digital agenda, Citi is uniquely positioned to harness these trends for the benefit of its institutional clients and globally connected consumers. Our goal is to be a leading provider of financial services to the world's largest companies and investors, to be the preeminent bank in urban centers, and – through our investments in technology to enhance our digital presence – to become the world's digital bank. We seek to do this through Responsible Finance – conduct that is transparent, prudent and dependable – and by acting ethically and with integrity in all that we do.

Underlying this business context are several sustainability-related drivers. The world is challenged by the current and potential impacts of climate change, increasing resource scarcity, and pressure on land, water and forests. These challenges have put pressure on communities and people and present a threat to global prosperity. Our clients are mobilizing to develop solutions to help meet these challenges and are adjusting their own business models and practices to meet evolving societal needs and expectations. As a client-focused bank, Citi is committed to changing alongside its clients and working to support clients' efforts by offering innovative new products and providing expertise on how environmental and social issues intersect with global finance. In addition to clients, other stakeholders – investors, employees, regulators and communities – expect Citi to deliver expertise and leadership on financial innovation, risk management and sustainability, and to be a sustainable company in its own operations and supply chain. National regulatory frameworks and policies have also been developed that require sustainable practices and reporting by banks and other companies. The Green Protocols in Brazil and Colombia, the Green Credit Guidelines in China, and the Sustainable Banking Principles in Nigeria are a few examples of how best practice standards are changing the landscape for banks.

Citi has a well-established track record on sustainability, and our leadership has been recognized by a number of external third parties. Citi has been listed on the Dow Jones Sustainability World Index since 2001; part of FTSE4Good since 2002; ranked World's Greenest Bank by *Bloomberg Markets*; and named the Most Innovative Investment Bank in Climate Change and Sustainability by *The Banker* magazine. We have had a formal process for engaging with stakeholders on sustainability issues since the late 1990s, and we began publishing an annual Global Citizenship Report on these issues in 2001. Since the early 2000s – through our work on the Equator Principles (EP) and other industry standards – we have helped lead the financial services industry in developing an understanding of how environmental and social issues intersect with global finance. Our work in clean energy finance also began to emerge during this time and is now central to our sustainability strategy, as demonstrated by our early achievement of our \$50 Billion Climate Initiative in 2013.

Our approach is based on the belief that our sustainability strategy must be embedded in Citi business units and aligned with our overall corporate strategy; that transparency and open engagement are essential to success; and that partnerships – with Citi clients and their sustainability teams, with non-governmental organizations (NGOs) and with public agencies such as national and state-based green banks – are necessary to making progress on society's toughest challenges.



Strategic Priorities

In alignment with our corporate strategy and the business context in which we operate, our sustainability strategy focuses on three thematic priorities:

- **Combating Climate Change** – Climate change is a global challenge of tremendous magnitude and a priority issue for our stakeholders. Climate change and related pressures on natural resources, biodiversity and water present risks to our clients, communities and operations. At the same time, responding to climate change presents transformational opportunities. With expertise in energy and power and a decade of experience working on climate change issues across various industry sectors, Citi is well positioned to support its clients in managing the risks and opportunities from climate change.
- **Championing Sustainable Cities** – Cities are centers of innovation and are rapidly becoming a major focus for sustainable development. Citi is present in the world's top cities, which enables us to leverage our people and relationships locally to support the promise as well as address the challenges of urbanization and growth. Sustainability and resilience are key priorities for cities, given the challenges of climate change, the desire to provide a high quality of life for residents, and the focus on building resilient infrastructure. Through the Citi for Cities program, Citi draws upon its expertise, capabilities and footprint in the leading cities around the world to provide financing and advisory solutions to cities.
- **Engaging People and Communities** – Social progress is an essential building block for environmental progress, and our sustainability strategy is focused on both people and the environment. We strive to conduct our business in a manner that supports universal human rights and is environmentally and socially responsible, and we consider the risks and benefits to impacted communities in both urban and rural areas. A core element of our strategy involves leveraging the skills of our own people to execute on our commitments.

Our thematic priorities are issues that are highly relevant to our businesses and stakeholders.



Our work across these pillars is interrelated, and we look for innovations and best practices that can drive cross-functional progress.

Sustainability Framework

Our thematic priorities – Combating Climate Change, Championing Sustainable Cities, and Engaging People and Communities – are issues that are highly relevant to our businesses and stakeholders. With an aim towards making a difference in these areas, our sustainability activities are organized under three primary pillars: Environmental Finance; Environmental and Social Risk Management; and Operations and Supply Chain. Our work across these pillars is interrelated, and we look for innovations and best practices that can drive cross-functional progress. Stakeholder engagement and reporting have long been central to our sustainability efforts, and we will continue to emphasize transparency and open engagement with clients, suppliers, employees and stakeholders as the foundation of our sustainability strategy.





Environmental Finance

Lending, investing and facilitating \$100 billion over ten years to activities focused on environmental solutions and reducing the impacts of climate change globally

Our Commitment

\$100 Billion Environmental Finance Initiative: Citi will lend, invest and facilitate \$100 billion over ten years (2014 - 2023) towards activities that reduce the impacts of climate change and create environmental solutions that benefit people and communities. This goal is in addition to our previous \$50 billion goal, which we met three years early in 2013.

Citi has a long history of innovation, including financing the first transatlantic cable and installing the first ATM. Our mission is to enable progress. We are applying that same approach to creating innovative financial products and solutions that help our clients address sustainability challenges and drive sustainable progress.

Following on the successful conclusion of our \$50 Billion Climate Initiative, we expect to see further market growth and client leadership in developing environmental solutions. In support of this growth and leadership, we are launching a new **\$100 Billion, Ten-Year Environmental Finance Initiative**. Achieving this goal will depend on client demand and market conditions, and on our ability to influence change in the market. Through this initiative, we will:

- Finance and invest in activities that mitigate the impacts of climate change
- Continue to build on our leadership in renewable energy and energy efficiency financing
- Engage with clients and stakeholders to identify opportunities to finance greenhouse gas (GHG) reductions and resource efficiency in other sectors, such as sustainable transportation
- Seek to finance and support activities that enable communities to adapt to climate change impacts
- Direct financing to other environmentally positive activities, such as infrastructure improvements that increase access to clean water and manage waste
- Support green, affordable housing for our clients, including in low- and moderate-income communities
- Seek to highlight scalable innovations that harness the power of big data and digital solutions to solve environmental challenges



As with our \$50 Billion Climate Initiative, we will measure progress through rigorous accounting of direct balance sheet financing and investing, and environmentally positive activities that our financing and advisory services help to catalyze and leverage. We commit to disclose our overall measurement methodology, and we will report on our progress on an annual basis.

Environmental Finance Background

In addition to the creation of specialty units such as the Alternative Energy group within our broader energy and power business, we have sought ways to stimulate the transformation of our businesses and the global economy through the use of our traditional products and services. In 2007, we announced our \$50 Billion Climate Initiative, which was a goal to direct \$50 billion over ten years to climate-friendly activities with our clients. We exceeded that goal in 2013, three years ahead of our 2016 target year. Examples of our financing activities included: Solar Star, a 579 megawatt solar installation in California which is expected to be the largest solar project in the world when complete; the 113 megawatt Inka wind project, which will be the first wind farm in Peru; and Kilowatt Financial, a company which provides energy-efficiency loans to homeowners.

Our new \$100 Billion Environmental Finance Initiative will build on this history and a number of efforts already underway:

- **Citi's Leadership in Alternative Energy Finance** – Citi continues to be a leader in financing renewable and alternative energy. While a majority of the financing in this space has been in the United States, we expect to see an increasing volume in the emerging markets in which Citi has long been present. Citi is also leading the effort to engineer new ways to finance energy efficiency for corporates, state and local governments and homeowners, and to pool project financings.
- **Green Bonds** – Citi worked with three other banks to develop the Green Bond Principles, which are a set of guidelines for banks and issuers. Citi is working with its clients to issue green and other thematic bonds that have positive social and environmental benefits, which are designed to bring new investors to the table.
- **Citi for Cities** – In connection with a focus on solving urban challenges through Citi for Cities, Citi has formed a partnership with C40, a global organization of cities focused on climate change solutions. We are working with C40's sustainable infrastructure finance network to identify solutions for climate change resilience.
- **Public-Private Partnerships** – Citi partners with governmental entities at the municipal and federal levels, with country- and state-based green banks, with NGOs to develop innovative financing solutions, and with other banks on industry standards such as the EP and the Green Bond Principles.

Our approach is based on the belief that our sustainability strategy must be embedded in our business units and aligned with Citi's overall corporate strategy.





Environmental & Social Risk Management

Collaborating with our clients to manage environmental and social risks and impacts associated with our products and services

Our Commitment

Building on Citi's long-standing Environmental and Social Risk Management (ESRM) policies and underlying standards and over a decade of implementation and market leadership, we commit to:

- **Continuous Policy Improvement** – Continually innovate and evolve our ESRM policies and standards in response to emerging risks and new product development. We will do this by partnering with others and by deepening transaction-specific engagement with our clients to manage risks, identify solutions and add greater value. We will also create and implement new internal training approaches to build ESRM and sustainability capacity across Citi.
- **Portfolio-Level Analysis of Environmental and Social Risks** – Conduct Environmental and Social Portfolio Reviews of sectors that are of high importance to our businesses but that also may carry higher risk from an environmental and social perspective. Findings of these reviews will be included as part of the annual portfolio assessment process, as environmental and social risks are increasingly tied to broader economic and financial risks. Portfolio-level analysis will also present opportunities for greater client engagement, as Citi will be well positioned to advise clients on solutions to thematic risks.
- **Systematic Monitoring of Emerging Risks** – Conduct periodic Environmental and Social Risk Radar Reviews (ESR3) to identify new and emerging risks and trends. Examples of issues that require deeper learning and research include carbon asset risk and how it may influence energy markets; oil, gas and mining development in the Arctic; water stress and water availability in various geographies and industries; how to achieve “zero net deforestation;” and other trends and risks related to our growing commodities business.
- **Building Global Capacity** – Develop collaborations with clients, peers and regulators to build ESRM capacity externally. This will allow us to maintain a level playing field with our competitors and raise the baseline of environmental and social performance across our client base and operating geographies.



Citi's goal is to be the bank of choice for partnering with clients to effectively manage and mitigate risk.

ESRM Background

An early and central part of Citi's approach to proactively managing environmental and social risk in its client transactions was the recognition of the business value of ESRM. We also recognized the need for the financial sector as a whole to embrace robust ESRM standards. In 2003, Citi led the transformation of the financial sector's approach to ESRM as one of the original four co-founders of the EP for project and infrastructure finance. The EP triggered tremendous positive industry change and momentum and led to a shift in how our industry perceives and manages environmental and social risk. At Citi, adopting the EP also contributed to increased awareness within the company of broader environmental and social issues. Building on the EP, in 2004 we launched our comprehensive ESRM Policy, a robust policy framework and internal process to review a broad range of transactions. The ESRM Policy is now a company-wide policy, covering our Institutional Clients Group as well as mid-sized commercial clients within our Global Consumer Banking business.

We remain engaged as a leader through our long-time membership on the EP Steering Committee, including our two-year term as chair in 2010 - 2012. In addition, we collaborate to develop capacity-building and knowledge-sharing opportunities, such as the Biodiversity for Banks initiative created and led jointly by Citi, the World Wildlife Fund (WWF), and the Business and Biodiversity Offset Program (BBOP), which was rolled out to EP banks worldwide in 2012 - 2013.

We are also working to facilitate the transformation of environmental and social risk from being viewed as a limitation on business into an area where this expertise can strengthen client relationships and create value. Citi's goal is to be the bank of choice for partnering with clients to effectively manage and mitigate risk. Many of our clients are best-in-class in their management of environmental and social challenges, and we seek to partner with and learn from them. In other instances where clients are working to build their capacity in these areas, we help them understand and meet international standards in order to fulfill their aspirations to grow globally.





Operations & Supply Chain

Managing our global facilities and supply chain to minimize direct impact, reduce costs and reflect best practices

Our Commitment

We will manage our global operations and supply chain to meet new environmental footprint and supply chain goals, with a focus on minimizing direct impacts, reducing costs and reflecting global best practices.

- **Operations** – Using a rigorous climate science-based methodology, we have established new GHG emission reduction goals within a new set of environmental footprint goals for 2020. Our new 2020 goals cover our priority sustainability areas – GHG emissions, energy, water, waste and green building – across our entire portfolio of nearly 12,000 owned and leased facilities.
- **Supply Chain** – To continue strengthening our sustainable supply chain strategy, we will develop sustainable sourcing policies in three high-impact categories (information technology (IT), paper and travel) and will deepen supplier engagement on sustainability risk management. We will also seek to align our supply chain risk management with our ESRM policies and processes.

Citi's work to reduce its direct environmental footprint, promote green building at scale, and drive environmental and social progress in its supply chain is fundamental to its sustainability performance. This work can also serve as a learning laboratory to stimulate product development and new partnership opportunities with clients and NGOs. We look for opportunities to leverage our operational and supply chain expertise in ways that bring value to our client engagements, and we are linking our operations and banking units to co-develop financing solutions.



We look for opportunities to leverage our operational and supply chain expertise in ways that bring value to our client engagements.

Operations

The United Nations Intergovernmental Panel on Climate Change has indicated that a global temperature increase of 2°C is the tipping point for irreparable damage due to climate change, and that to remain below this level will require an 85 percent cut in GHG emissions in industrialized countries and a 50 percent reduction in developing countries by 2050. Adopting this scientific study, along with other current GHG management best practice, has enabled Citi to establish ambitious new GHG emission reduction goals. Our methodology in determining our absolute GHG emission reduction goals takes into account global GHG levels, necessary reductions to maintain a 2°C threshold, our geographic distribution and our contribution to global gross domestic product (global GDP). In addition to our science-based GHG emissions reduction goals, we have established new absolute reduction goals for energy, diversion of waste to landfill, and water use, including a commitment that 10% of our water will come from reclaimed or recycled sources. Furthermore, we will continue to increase our green building portfolio of Leadership in Energy and Environmental Design (LEED) certified facilities. These goals build upon our current 2015 environmental footprint goals and continue to be based on a 2005 baseline.

This overall operational strategy aims to enable progress across our global footprint. It incorporates climate science into our thinking about GHG emissions reduction as we look towards 2020. We have defined a fixed-intensity metric based upon fiscal performance (contribution to global GDP) to account for growth or contraction, and as climate models and best practice continue to develop we will assess and revise our process as needed. From 2020 on, to ensure we are on-track to hit our 2050 metric, we will set absolute goals in five-year increments and continue to track annual performance towards each goal. Our new 2020 operational goals include:

- **GHG Emissions**

- 2020 goal – 35% absolute reduction
- Annual carbon intensity reduction rate of -9.67% year over year (normalized by contribution to global GDP)
- 2050 goal – 80% absolute reduction

- **Energy**

- 30% absolute reduction

- **Water**

- 30% absolute reduction
- 10% of water from a reclaimed or recycled source

- **Waste**

- 60% absolute reduction

- **LEED**

- 33% of our real estate portfolio LEED certified



Supply Chain

Our sustainable supply chain approach is based on the belief that our suppliers should meet high standards in environmental and social performance, and that partnering with our suppliers is critical to meeting our expense management objectives as well as our goal to promote environmental and social progress. Our sustainable supply chain goals are focused on two priority areas:

- **Supply Chain Policies**

- Develop sustainable sourcing policies for the following categories, to promote a high level of environmental and social performance, manage risk and assess the GHG emissions in our supply chain:
 - Paper and paper-based products
 - IT hardware and e-waste disposal
 - Travel (including air, rail, rental cars and car services) and logistics
- Report annually on the development and implementation of these sustainable sourcing policies, including supplier evaluations under those policies

- **Supplier Engagement**

- Deepen our implementation of Citi's Statement of Supplier Principles by integrating the principles into master contracts with suppliers
- Roll out our Corporate Responsibility Questionnaire globally to all key suppliers, and use the questionnaire to identify and address gaps for priority sectors and geographies through supplier engagement
- Continue to develop internal and external training initiatives to educate suppliers and procurement professionals on industry best practices
- Report annually on the results of our supplier assessments and training initiatives



Operations and Supply Chain Background

We launched our sustainability program by first looking at our own operations. With approximately 12,000 facilities and 250,000 employees, our environmental footprint is significant and growing, particularly as we become an increasingly digital company that relies on energy-intensive data centers as our backbone. We began reporting on our direct environmental impacts related to energy, water and waste in 2002, and we set our first environmental footprint reduction goals in 2007. When these goals were achieved in 2011, we set additional reduction goals for 2015. The goals, which are measured against a 2005 baseline and are all completed or near completion, are:

- **25% Reduction in Absolute GHG Emissions**

- Met this goal in 2013, two years early, and reset the goal to achieve this reduction by 2015 solely through energy efficiency measures, without counting the use of our green energy offsets

- **20% Improvement in the Energy Efficiency of Our Real Estate Portfolio**

- On track to meet this goal in 2015

- **20% Reduction in Water Usage**

- On track to meet this goal in 2015

- **40% Reduction in Waste Sent to Landfill**

- Met this goal in 2013, two years early

- **15% of Our Global Real Estate Portfolio LEED Certified**

- On track to meet this goal in 2015

Green building at scale has also been central to our operational strategy. In 2009 we achieved the first-ever LEED Platinum certification for a data center, for the Citi Data Center in Frankfurt, Germany. This was especially relevant as data centers are our most energy-intensive facilities, accounting for approximately 25 percent of our overall energy usage. Citi also was the first company in the world to achieve 100 LEED certified projects in 2009, and in 2012 it was the first bank in the world to achieve 200 LEED certifications.

Our sustainable supply chain effort began in 2009 with the development of our Statement of Supplier Principles, which outline the ethical, human rights and environmental standards that we expect of our suppliers. That same year, we began reporting GHG emissions from our business air travel as part of Citi's Scope 3 reporting process.





Engagement & Transparency

Engaging with stakeholders to achieve sustainable progress, and reporting on the results of our strategy and goals

Our Commitment

We will engage with our stakeholders and employees to achieve sustainable progress and report publicly on the results of our strategy and goals.

- **Stakeholder Engagement** – We will continue to engage with stakeholders to understand emerging trends, risks and opportunities for Citi and the communities in which it operates.
- **Employee Engagement** – We will continue to build our employee engagement program to leverage our global talent in ways that benefit our sustainability initiatives and the communities where we live and work.
- **Transparency and Communications** – We will apply best practices in reporting on our strategy and performance, monitoring emerging developments in disclosure and consistently marrying transparency with materiality.

Stakeholder Engagement

Open engagement with clients, suppliers, employees and stakeholders is the foundation of our sustainability strategy. We engage with a variety of stakeholders to understand emerging trends and how they could affect our businesses and our clients. These relationships can also help us identify new areas of opportunity for environmental finance and progress. We also connect with our clients and the public on sustainability issues through our social media channels as well as through innovative initiatives such as the Citi Bike bike share program in New York City and Miami.

During the process of developing our sustainability strategy, we solicited feedback from a group of stakeholders including investors, clients, employees and NGOs. We will continue to engage stakeholders through formal stakeholder panels as well as informally to receive input on our strategy implementation and further development.



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with a variety
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could affect our
businesses and
our clients.

Employee Engagement

Engagement with our employees, including in our Institutional Clients Group and Global Consumer Banking businesses, also underpins our sustainability efforts. Citi has volunteer Green Teams that act as the ambassadors for its sustainability pillars; they play a key role by hosting targeted campaigns, recycling programs, expert lectures and volunteer efforts that promote sustainable practices. We will continue to build our global Green Team Network to help develop local capacity and initiatives in support of our sustainability strategy.

Transparency and Communications

Citi believes in the importance of tracking its performance metrics and publicly reporting on its strategy and performance through our annual Global Citizenship Report, website and stakeholder convenings. Our increasingly digital world requires a high level of transparency in our engagements with stakeholders as well as in our communications and annual reporting. We also support and promote reporting by our clients and suppliers.

Citi uses the Global Reporting Initiative (GRI) framework as a guide for reporting. We are also monitoring a number of related reporting initiatives, including Sustainability Accounting Standards Board (SASB) and the GHG Protocol Scope 3 work. We support the drive towards increased transparency and will continue to actively assess emerging best practice in disclosure. We will apply reporting practices that are guided by materiality and that elucidate environmental and social risks with an eye towards developments that could lead to financial risk for our clients, communities and Citi. We will also continue to get third-party assurance of our reporting on key environmental and social indicators, such as EP implementation and our operational performance.



Governance and Oversight

Citi's sustainability strategy is primarily implemented in its businesses. In addition, as described below, we have key groups that provide strategic guidance and senior-level review.

- **Corporate Sustainability** – Citi's Corporate Sustainability team, part of Global Public Affairs, is responsible for developing Citi's sustainability strategy in collaboration with partners across the bank and for coordinating and monitoring its implementation. The Corporate Sustainability team works across Citi's businesses in all regions to provide expertise, facilitate cross-business learning and coordination, engage with stakeholders, and report on our progress. In addition to the businesses, this unit also works with corporate citizenship officers in our Europe, Middle East, Africa (EMEA), Latin America and Asia Pacific regions and in key countries. These corporate citizenship officers help address sustainability issues as they arise.
- **Sustainability Review Committees**
 - The Environmental and Social Policy Review Committee (ESPRC) is comprised of representatives from Banking, Risk, Research, Legal, Government Affairs, Operations & Technology and Regional Management and provides input and guidance on Citi's sustainability strategy, policies and initiatives. An executive subcommittee of the ESPRC provides additional oversight and feedback to Citi's Corporate Sustainability and ESRM teams. The Corporate Sustainability unit, in partnership with the ESRM unit, is responsible for convening the ESPRC and the subcommittee.
 - The EMEA Climate Council is a management-level council that serves as a regional platform for identifying new sustainability-related opportunities and client value-adds across our businesses.
- **Business Practices Committees** – Citi's business practices committees, at the corporate level and in each of its businesses, review business activities, sales practices, product design, potential conflicts of interest, complex transactions, suitability and other reputational concerns, providing guidance so that Citi's business practices meet the highest standards of ethics, integrity and professional behavior. These committees are comprised of our most senior executives and focus on reputational risk. In certain circumstances, the business practices committees may be used as a platform to engage senior management on situations or transactions that could pose significant reputational risk to the firm due to potential environmental or social impact.
- **Board of Directors** – The Nomination, Governance and Public Affairs Committee of Citi's Board of Directors annually reviews Citi's sustainability policies, initiatives and results.



Business Unit Descriptions

Ownership of the three primary pillars of our sustainability strategy is embedded in the relevant lines of business as follows.

- **Environmental Finance** – Individual business units are responsible for our work with clients on environmental finance around the world. In our Institutional Clients Group, key units include Alternative Energy Banking, Alternative Energy Finance, Municipal Securities, Export and Agency Finance, Commodities, Citi Community Capital and Equity Research. In our Global Consumer Banking business, key units include Commercial Banking and CitiMortgage.
- **Environmental and Social Risk Management**
 - This work is led by the ESRM unit, which is part of the Independent Risk Management function within the Institutional Clients Group. As a global function, the ESRM unit sets Citi's environmental and social risk policies and standards in consultation with relevant business units and Independent Risk, and assesses the environmental and social risks associated with financing transactions. This work is supported by regional ESRM Champions, who are credit risk officers with additional ESRM review and advisory responsibilities. This team also provides advice and counsel to bankers on a variety of environmental and social issues.
 - Risk specialists also sit in our Global Consumer Banking unit and are responsible for implementing the ESRM policy for our mid-sized commercial clients.
- **Operations and Supply Chain**
 - A Sustainability team is embedded in the Citi Realty Services unit and is responsible for our sustainable facilities program, including setting and meeting goals to reduce our GHG emissions, energy use, waste to landfill and water use as well as to increase our energy efficiency. This team also oversees Citi's market-leading green building program to grow its LEED portfolio at scale and implement green building standards across our global footprint.
 - Our Procurement group has a Supplier Diversity and Sustainability team that is responsible for implementing our sustainable supply chain program and Statement of Supplier Principles. This includes assessing suppliers against sustainability criteria, ensuring that our suppliers meet our standards, and developing and implementing specific product category policies as needed.

For more information please email us at sustainability@citi.com or visit <http://www.citigroup.com/citi/environment/>





2017
Global Citizenship Report

Executive Summary

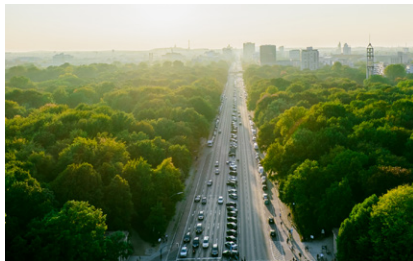
CITI'S VALUE PROPOSITION

A MISSION OF ENABLING GROWTH AND PROGRESS

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.

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About This Summary

This is an Executive Summary of our 2017 Global Citizenship Report, which covers our corporate citizenship activities and performance for the calendar year 2017. This summary, and the full report, highlight how we bring our mission and value proposition to life through our business.

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 at citigroup.com. For more information on Citi's citizenship initiatives, please visit citi.com/citizenship or contact:

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Letter from Our CEO



Every day at Citi, we try to demonstrate the value we contribute to the communities we serve and the values we have committed to uphold around the world. In some cases, we may decide to publicly affirm those core values. But I'm just as proud of the quieter, often local ways our company and colleagues take tangible steps to fulfill our mission of enabling growth and progress.

Just a few miles from our global headquarters, in the Queens neighborhood of Far Rockaway, an oceanfront community devastated by Hurricane Sandy in 2012, we helped rebuild the Ocean Bay apartment complex, home to 4,000 residents left without heat or water in the wake of that storm. Together with our community partners, we didn't just provide a patchwork fix, but thoroughly rebuilt homes that residents can take pride in while creating a safer, more resilient and sustainable community they can enjoy for decades to come. The project incorporated a number of elements that make the apartments more energy efficient, including the third-largest solar panel installation at an affordable housing development in New York.

And in response to one of a series of extreme weather events that impacted our communities in 2017, my colleagues in Citi Community Development worked directly with four leading housing organizations in the U.S. Commonwealth of Puerto Rico to help thousands of families across the island recover from the devastating impact of Hurricane Maria by providing free essential housing services.

As our company and colleagues continue to change for the better the life trajectories of people who participate in the programs we support, we discovered that the social impact of those programs is amplified by the participants who go on to create new jobs and opportunities for others. In Greece, for example, a young man left homeless after the financial crisis that engulfed his country in 2012 participated in entrepreneurial training as part of the Citi Foundation's Pathways to Progress initiative, which helped him establish an organic olive oil cosmetics company, for which he's since hired eight people. In Pakistan, a Pathways participant who opened a school for girls learned to operate it more efficiently. As a result, she hired another six teachers and expanded the student population from 25 to 100. In Uganda, Citi volunteers worked with a hair salon owner and jewelry maker to establish a formal bookkeeping system and create a business plan and marketing materials that enabled her to grow her business.

All those efforts and activities reflect the commitments we've made to further embed our holistic approach to citizenship across the breadth and depth of our global franchise. But we also spoke out on several occasions about issues that directly affect our people, our clients and our communities. We voiced our concerns about U.S. immigration policies that discriminate against certain groups, reiterated our support for the Paris Agreement and other policies that address climate change, condemned racist acts in Charlottesville, signed on to the UK Modern Slavery Act and signed an amicus brief in the Masterpiece Cakeshop, Ltd. v. Colorado Civil Rights Commission case to show our support for the rights of the LGBTQ community.

In January 2018, we were the first bank to release the results of a pay equity analysis, which compared our compensation of women to men and U.S. minorities to U.S. non-minorities, and we took steps to close the 1 percent gap we found. In March, we announced a new Commercial Firearms policy in the U.S. and shared our view that, as a company that has openly

committed to enabling growth and progress, we need to do our part to help combat gun violence.

While not everyone has agreed with what we've said or done, I'm proud of the actions we've taken to define who we are and what we stand for as a company. A firm of our size and scale achieves great and big things when we put our mind to it – but my colleagues also positively impact the lives of many in small but meaningful ways each day. The ways we help make our communities stronger, provide

opportunities to those who need support, protect our environment and celebrate diversity are the truest reflection of our values and the progress we enable around the world.



Michael L. Corbat
Chief Executive Officer
Citigroup Inc.

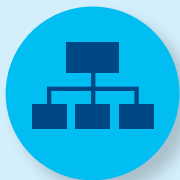
CITI AT A GLANCE

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		Leading bank with 200+ years of experience
			Diverse workforce of 209,000 to serve our customers and clients		
 Institutional Clients Group			 Global Consumer Banking		
Largest proprietary global network with a client base of 14,000 and a presence in 98 countries			Growing Commercial Bank that serves mid-sized clients with cross-border needs		
Facilitates ~\$4 trillion of transaction flows daily			Serving over 100 million customers		
Serves more than 80% of global Fortune 500 companies			A lean, urban retail bank footprint across 19 markets in the U.S., Mexico and Asia		
Citizenship Approach					
	A business model that adds value to society			Taking a stand on issues that matter and driving solutions	
	 A focus on ethical decision-making and responsible business practices			 An enhanced focus on transparency and knowledge building	

Citizenship Approach

Our Citizenship Report is designed to provide the details that stakeholders expect, including numerous examples of innovative ways we are stepping up to tackle some of the world's toughest challenges. But if there is one thing we hope readers will take away, it is that while 2017 was a year of rapid change in the world, we remain steadfast and committed to fulfilling our mission. As a global bank there are many ways that we can impact communities around the world and here we outline our approach to ensuring that our activities enable growth and progress.

TENETS OF OUR APPROACH TO CITIZENSHIP



A business model that adds value to society



Taking a stand on issues that matter and driving solutions



A focus on ethical decision-making and responsible business practices



An enhanced focus on transparency and knowledge building

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, is fundamental to our mission to enable progress. This work is complemented by our focus on operating our facilities sustainably and our philanthropic activity, which are also important aspects of our citizenship efforts. Despite our progress to date, we know that we have a great deal more work to do, and the leadership of our company will need to continually raise the bar.

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 How We Do Business section of the Citizenship Report provides more detail on how we do this and how we work toward continuous improvement. This will continue to be the foundation of all our activities and our citizenship efforts at Citi.

Taking a Stand on Issues that Matter and Driving Solutions

The need for companies to use their voice and influence continues to increase around the world.

Over the past year, we continued to leverage our corporate voice for good, and we took a stand on a number of issues that matter to our employees, clients, investors and communities. For example, we issued statements on our continued commitment to the goals outlined in the Paris Agreement, our support of immigrants in the U.S., the importance of pay equity across gender and ethnicities, our commitment to doing our part to help combat gun violence in the U.S. and our commitment to tolerance and inclusion. That's just the first step though. Where we can, we actively work to be part of the solutions dialogue—through stakeholder engagement, business-led solutions and philanthropic efforts—to address complex and pressing issues such as global warming and inequality.

An Enhanced Focus on Transparency and Knowledge Building

To successfully meet the expectations of our internal and external stakeholders as the scope and pace of what merits effective disclosure continues to evolve, we need to both communicate what we are already doing and engage in active dialogue to learn and understand what more can be done. We are committed to increasing not only our reporting efforts, but also the way in which we engage stakeholders in all our activities.

This report is only a snapshot of our efforts to increase transparency and knowledge building, and we supplement our annual reporting with articles, reports, convenings and other thought leadership activities throughout the year.

HOW WE DO BUSINESS

Responsible business practices are not only the backbone of our company's success, they are also imperative to protecting the broader financial system and the communities in which we live and work. It starts with a culture of ethics and integrity, delivered by a diverse, skilled workforce committed to serving our clients. Whether we are protecting our customers' privacy, advancing transparency, respecting human rights, engaging with our suppliers or assessing and addressing the environmental and social risks of the projects we finance, our goal is always to earn our customers' trust through responsible, ethical activities.



Conduct and Culture

For nearly a decade, we've strived to reinforce a culture based on ethics and execution across our businesses. We have invested in improving controls, including related to risk, compliance and audit, and our progress in these areas is enabling us to safely run and grow our business. In order to become an indisputably strong and stable company, we must ensure that all our employees, at all levels, are held accountable to the highest standards of ethics and professional behavior. Only then can we deliver the best possible results for our clients and communities.

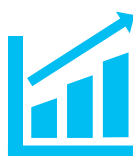
In addition to complying with all applicable laws and regulations, we communicate and implement our standards for conduct and culture through a variety of methods, including our Code of Conduct, various

ethics programs and compliance risk management. We also devote resources to ensuring fair consumer practices through our policies.

WE ASK OUR EMPLOYEES GLOBALLY TO ENSURE THAT THEIR DECISIONS PASS THREE TESTS



They are in our clients' interests



They create economic value



They are always systemically responsible

CASE STUDY

Spotlight on Ethics

Citi shares the results of ethics investigations with employees through a quarterly communication called “Spotlight on Ethics” that shows employees how their concerns are investigated and highlights commonplace areas where ethical lapses can occur. “Spotlight on Ethics” also includes corrective actions to demonstrate to employees that raising concerns leads to meaningful action. Topics covered in 2017 included conflicts of interest in hiring, the importance of maintaining professional skills, employees’ responsibilities to safeguard Citi assets and equipment, and the appropriate use of Citi systems.



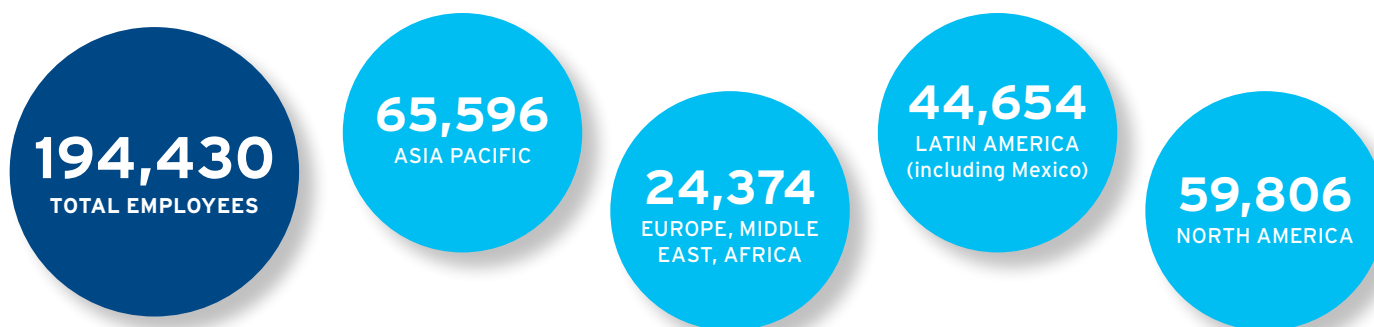
Conduct Risk Management Program

Our global Conduct Risk Management Program is a key part of the effort to embed Citi’s core values and high standards of ethical behavior into our business strategy. This global program seeks to mitigate instances of conduct risk, including intentional or negligent actions of employees or agents that may harm customers. In 2017, we expanded the initial implementation of this program to include businesses in 84 countries, up from 44 countries the previous year. Beginning in 2018, an enhanced conduct risk assessment will be conducted annually using a risk-based approach for those countries that have already performed an initial conduct risk assessment.

➔ What’s Ahead

We recognize that we must continually work to reinforce ethical practices across our culture. Our focus on ethical decision-making is not the responsibility of just one division or team, but rather is embedded into everyday business activities. As we grow our business, we will continue to evaluate our practices, ensuring that policies and actions drive our mission forward, and identify areas where we can improve.

NUMBER OF EMPLOYEES WHO COMPLETED CITI’S 2017 ANTI-MONEY LAUNDERING (AML), SANCTIONS AND ANTI-BRIBERY TRAINING (BY REGION)*



* AML, sanctions and anti-bribery training is a combined online training. Numbers include all Citi staff who completed the 2017 training as of November 28, 2017. (Employees and non-employee workers have 30 days to complete.)

Digital Innovation

In order to stay relevant, banks need to embrace the same factors that define the 21st century world we live in – we must be faster, smarter and more efficient. We see digital innovation as the key to opening up greater access to financial tools, while also fighting corruption and advancing integrity and transparency around the world.

Through our Citi Ventures team, we have developed a model, called D10XSM, that fosters innovation by engaging our employees and partnering with our clients to encourage new ideas from across our businesses that result in digital solutions that securely meet and exceed customer expectations.

We know that technology has great potential to offer access to financial tools for vulnerable and underserved populations, and that it can empower customers with financial information. A survey we conducted

found that mobile banking provides customers with important information that makes them more aware of, and secure in, their financial standing (see data in graphic below).

As we embrace the business opportunities that digital solutions provide, we also put robust policies and processes in place and use advanced technology to help us protect our customers' privacy and safeguard their data.

MOBILE BANKING EMPOWERS CUSTOMERS

HIGHLIGHTS FROM CITI'S 2017 INAUGURAL MOBILE BANKING STUDY*



* "Citi Launches Findings of New Mobile Banking Study at The Economist's 2017 Finance Disrupted Conference," Citi (website), accessed January 2018, <https://www.multivu.com/players/English/8178051-citi-mobile-banking-study/>.

CASE STUDY

Tech for Integrity

Corruption is a serious issue in both the private and public 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 for bolstering integrity and transparency. In 2017, Citi launched the Citi Tech for Integrity Challenge (T4I) – a collaboration among partners in the public and private sectors to encourage technology innovators from around the world to create cutting-edge solutions that promote integrity, accountability and transparency in the public sector and beyond. Selected participants joined a virtual accelerator program that provided mentoring, curriculum and infrastructure support. Challenge finalists showcased their solutions at Demo Days around the world, and those chosen to receive awards have the opportunity to work with businesses, organizations or governments interested in exploring innovative integrity tools.

➔ What's Ahead

As more devices are able to transact payments, banking infrastructure, rules and policies will have to change in response. Banks will have to make sure that they have the processing capabilities to keep up with the demand for payments increasing from billions to trillions per year. Security and authentication will also need to happen in real time and on an even more massive scale than today. We will approach solutions to these issues with our clients' needs in focus, and design the products and services that make their financial lives easier and more manageable.

TECH FOR INTEGRITY CHALLENGE: 2017 HIGHLIGHTS

Finalists that exhibited at regional Demo Days included:



A machine-learning startup based in India that can provide analytics and visualization to address the challenges of financial crimes and lack of transparency



A video reporting app that crowdsources information about infrastructure and public service issues in Mexico, to enhance government services and promote ethics and engagement



A cashless solution for public transit in Nigeria that will improve the efficiency of government transactions and reduce the risks associated with the use of cash

T4I participants targeted eight areas of government integrity:

- Government Transactions
- Culture, Ethics & Engagement
- Information, Security & Identity
- Procurement
- Crisis Management & Aid
- Paper, Cash & Manual
- Analytics, Reporting & Transparency
- Financial Crimes & Illicit Activities

Talent and Diversity

At Citi, we continually enhance the professional development programs and resources offered globally to support the career progress and work/life balance of our employees. We're also committed to being a truly diverse company where employees come to work every day at a place that recognizes and celebrates our diverse backgrounds and experiences. To this end, we are setting representation goals around diversity, and our leaders are being held accountable for continued progress towards these goals.

Economies can also benefit from diversity. Research by Citi Global Perspectives & Solutions estimates that reducing gender inequality, for example, could add 6 percent GDP growth to advanced economies over 20 years.¹ At Citi, our employees reflect the remarkable range of cultures and perspectives of our

clients across the more than 160 countries and jurisdictions where we do business – a powerful advantage that combines global insights with deep local knowledge and that helps us drive growth and progress.

DIVERSITY AT A GLANCE

51%

of our employees
are female
(106,003 people)

45%

of our U.S. workforce
are minorities
(30,250 people)

24%

of our managing
directors and directors
globally are female
(2,325 people)

27%

of our U.S. managing
directors and directors
are minorities
(1,330 people)

CASE STUDY

Voice of the Employee Survey

Our 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, increased from 76 percent in 2016 to 78 percent in 2017.

CASE STUDY

Citi Signs the Women in Finance Charter

In July 2017, Citi joined a growing list of financial services firms in the UK in signing the UK Treasury's Women in Finance Charter, a voluntary agreement that companies will take key actions toward permanent and sustainable change for gender diversity at senior levels in the industry.

We have set an initial goal to have 30 percent of our senior management roles held by women by 2025 in the Europe, Middle East and Africa region. We are also working to create better gender balance by recruiting equal numbers of men and women into our graduate programs. You can learn more about our Women in Finance Charter targets on our website.²

Unconscious Bias Training Expands

We expanded our Building an Inclusive Culture training, which helps colleagues recognize unconscious bias and take actions to improve on-the-job decision-making that supports Citi's culture of leadership, ethics and inclusion. After reaching 54,000 employees during the pilot phase, we made the online training available to all employees in 2017. Over 80 percent of our employees have completed this training to date.

➔ What's Ahead

Achieving our goals on talent and diversity will require active engagement at all levels of the company. We will continue to use data to inform our efforts and engage stakeholders that keep us accountable. We will also continue working with the UN on initiatives that advance gender equality, including with Citi senior leaders serving on the UN High Level Panel on Women's Economic Empowerment and the UN Women's Global Innovation Coalition for Change. In 2018, Citi signed the UN Women's Empowerment Principles (WEP), which promotes the equal and full inclusion of women in society, the economy and in the workplace.

“ Together we can build a more inclusive culture by accepting our differences and by using those differences to drive change and progress, thereby making Citi a truly global bank and giving the best service to our clients.

”

- Juliana Gonzalez Clavijo, Citi Latin America

¹ Citigroup, Inc., *Women in the Economy II* (November 2017), page 3, <https://ir.citi.com/rxehymXStWqV7Y6S58ExJLPdJPjqZicwdoxqT%2Fc0qDsBMFxbL%2FzcJiG%2FgKE%2BRxwHcad8oOrgD1w%3D>.

² http://citigroup.com/citi/about/countrypresence/data/emea_diversity.pdf

Human Rights

Respecting human rights in our business activities has been a priority at Citi for more than a decade. In the last two years, however, we have learned important lessons that have increased our awareness and accelerated our response to these issues.

We work diligently to ensure that the human rights of our employees, suppliers and those affected by the projects we finance are respected. Through our experience and engagement with stakeholders, we have taken steps to improve policies and processes that will better equip us in promoting the full realization of human rights for all those impacted by our business.

CASE STUDY

Citi's Response to the UK Modern Slavery Act

We released our first UK Modern Slavery Act transparency statement in June 2017. Since issuing this public statement, we have formed a global working group to coordinate our efforts, bringing together diverse global and regional teams, including employees from our Sustainability, Supply Chain, Human Resources, Legal and Compliance teams, including Anti-Money Laundering.

CASE STUDY

Stakeholders Heard Through Due Diligence Process

Responding to human rights concerns often means taking the time to understand the local context and the different stakeholder perspectives through direct engagement. This proved important prior to a bond offering by Petropavlovsk PLC, a London-based gold mining company with operations in Russia. During our due diligence process, we discovered that a formal complaint had been filed with the UN's Office of the High Commissioner for Human Rights, alleging that an Evenki indigenous leader had been falsely convicted and imprisoned for his advocacy against the Russian government's treatment of his community and Petropavlovsk's mining activities near his village.

We knew it was critical to gain insight directly from the Evenki community to understand their perspectives on the case against the indigenous leader and to evaluate the company's social license to operate near Evenki traditional territory. We engaged a social consultant to travel to the remote region and conduct interviews with community members and nongovernmental organizations (NGOs), as well as with company and government representatives. The consultant's report revealed a complex web of issues stemming from decades of exploration by various mine operators, as well as more current concerns regarding the impact of Petropavlovsk's activities. Importantly, the due diligence found there to be constructive dialogue in recent years between the company and the indigenous community, and paved the way for improved relations through an enhanced stakeholder engagement strategy.

Before launching the bond, we encouraged the company to be more responsive and transparent regarding allegations in the public domain. The company agreed to implement a multifaceted action plan to enhance its approach to stakeholder engagement in line with the International Finance Corporation's Performance Standards. Petropavlovsk was also receptive to our suggestion that the bond offering fully disclose to investors the risks related to its interactions with the Evenki community as potentially relevant to its ability to obtain project-related licenses and permits, and thus, to the viability of its operations.

➔ What's Ahead

As part of the Equator Principles update process, Citi is participating in the Equator Principles Social Risk working group, which aims to strengthen the way banks evaluate client stakeholder engagement, including risks related to issues that affect Indigenous Peoples. In addition, as we seek to improve our response to human rights risks across our portfolio, we will continue researching emerging technologies that improve the effectiveness of grievance mechanisms and seek opportunities to work with our clients to implement those technologies as appropriate. An emerging issue Citi is paying increasingly close attention to is the role of human rights defenders. Whether they are community leaders, human rights activists, journalists or NGOs, these people do important work to advance human rights issues and expose abuses by governments, companies and others, which helps inform our own human rights due diligence. Defenders' voices draw attention to important issues of which Citi and other financial institutions need to be aware so we can ask the right questions, enhance our client and transaction screenings and work with clients to address any potential impacts related to projects we finance.



Environmental and Social Risk Management

There is increased attention globally on social and environmental justice issues, creating both an expectation and an opportunity for sustainable finance. 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.

In 2017, we updated our Environmental and Social Risk Management (ESRM) Policy to align with international best practices for consultation with Indigenous Peoples, clarifying the need to exceed the requirements of national law, even in high-income OECD countries.

We also began work with other leading global and regional banks and the United Nations Environment

Programme Finance Initiative (UNEP FI) to conduct climate scenario analysis to evaluate climate risks and opportunities under three different global warming scenarios. This collaborative project will enable banks to work together toward alignment with the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

Monitoring the Changing Risk Landscape

Our ESRM team uses a number of methods to proactively scan for both new, emerging risks as well as risks with increased prominence and prevalence. We continually evaluate these risks for both specific clients and projects, and more broadly in high-risk industries and stakeholder areas of concern. Our risk monitoring feeds into our ESRM Watchlist process, rolled out in 2017. Through this process we flag individual companies based on their track records, sensitive or controversial assets, third-party analyst scores and/or negative news. We review potential transactions for these clients and identify opportunities for engagement to understand what steps these clients are taking to address challenges and implement improved practices where needed.

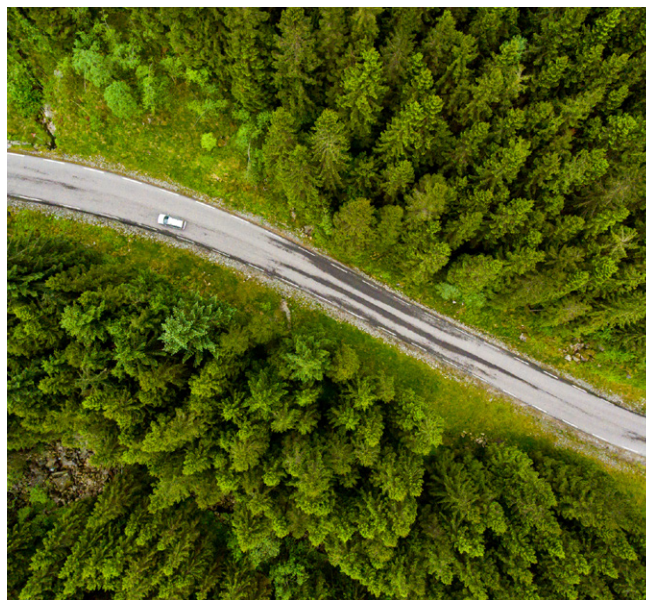
CASE STUDY

Upholding International Standards with Financing Decisions

While implementing our ESRM Policy, we sometimes come to the conclusion that we need to decline a transaction that doesn't meet accepted standards. For instance, during 2017, Citi bankers in early discussions with a company about a large hydro project in Africa contacted the ESRM team for an early ESRM screening of the project. Our research identified that the project would negatively impact a World Heritage Site, a Ramsar wetland and wildlife habitat and migration corridors. Given these impacts, we determined we were not comfortable with the magnitude of the potential risks and it was unlikely the project would be able to meet international standards. As a result, we declined to continue discussions on the project.

➔ What's Ahead

In 2018 the outcomes from the UNEP FI pilot on TCFD will begin to help inform our approach to managing climate risk, as well as our related disclosures. We will put our research on labor rights into action by enhancing our Palm Oil Sector Standard questionnaire with specific questions related to systemic labor risks on oil palm plantations, and we will seek opportunities for our clients' to implement new labor welfare monitoring technologies to better assess labor practices deeper in the contractor supply chain. We will work to better understand how we can most effectively address deforestation risks in our clients' activities and champion progress in conserving high conservation value forests. Citi will also actively participate in the Equator Principles update process, helping to design the next iteration of this global standard for banks evaluating environmental and social risks.



Operations and Supply Chain

Citi's global operations and supply chain present an enormous opportunity for positive impact on the communities where we live and work. From increasing supplier diversity to minimizing the environmental effects of our footprint, we work to manage these areas responsibly and efficiently.

In 2017, we reinforced our commitment to environmental sustainability with the announcement of a new goal to use 100 percent renewable energy to power Citi's facilities globally by 2020. We also continued to implement our Corporate Responsibility Questionnaire (CRQ), available in 14 languages, which

helps us evaluate suppliers' management of a range of social and environmental issues. Supplier diversity is also an important priority for us, and in 2017 we pledged to procure an additional \$100 million from women-owned businesses over the next three years, especially from firms located in developing markets.

2020 OPERATIONAL FOOTPRINT GOALS



100%

use of renewable energy
for facilities globally

PROGRESS

18%



30%

reduction in energy consumption
(compared with 2005 baseline)

PROGRESS

29%



30%

reduction in water consumption
(compared with 2005 baseline)

PROGRESS

29%

CASE STUDY

Citi Algeria Breaks New Ground with LEED Certification

In 2017, our office in Algeria became the first corporate building in the country to achieve LEED certification. The project team worked with contractors to educate local suppliers about LEED and implement the requirements to achieve a LEED Silver certification for the building. The building has energy-efficient LED lighting linked to motion and daylight sensors, which detect the amount of natural light in the office space and automatically adjust the internal lighting to suit employee needs. Other sustainable features include Energy Star-rated appliances and low-water consumption plumbing fixtures such as taps and showerheads. In addition, 66 percent of the waste generated from the refurbishment was diverted away from landfill.

➔ What's Ahead

Recognizing the connection between environmental sustainability and employee well-being, Citi will benchmark our design guidelines against wellness standards to elevate wellness alongside LEED considerations. We will also continue to minimize environmental impact across our operations, evaluating and using technology to solve sustainability-related problems. As we strive toward our 2020 goal to use 100 percent renewable energy for our facilities, we will continue to secure renewable energy contracts, incorporate onsite generation and look to innovative solutions where renewable power is not readily available. We will also address water consumption in our own operations as it remains a critical global issue.

In our supply chain, we will continue our efforts to bolster supplier diversity by improving our internal processes and strengthening our external partnerships. We will also prioritize efforts to meet our Sustainable Progress Strategy supply chain scorecard goals, including continued implementation of our CRQ and relevant training for our employees and suppliers.



33%

of global real estate
portfolio LEED-certified

PROGRESS

22%



60%

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

PROGRESS

61%



10%

of water used coming from
reclaimed or recycled sources

PROGRESS

5%



SOLUTIONS FOR IMPACT

As one of the world's leading financial service companies, Citi is well positioned to help address complex societal challenges, such as wealth inequality, rapid urbanization and climate change. Whether we are providing capital for large infrastructure projects or lending to small business owners, we see these activities as potential solutions to global issues that matter to our clients and impact our communities. There is still much work to be done, but we believe that by addressing the challenges of today, we can find greater opportunities for tomorrow.



Environmental Finance

In recent years, we've seen increased engagement and international agreements on efforts to slow, and even reverse, global warming and build a more resilient, sustainable economy. From the Paris Agreement to the UN Sustainable Development Goals (SDGs), one common factor stands out – trillions of dollars of investment is needed to make these shared goals a reality.

For more than a decade, Citi has increasingly worked with clients to identify areas where there are business opportunities that also positively impact the environment. We've also strengthened our transparency around our reporting to better measure our progress towards our own environmental finance goals.

Through our \$100 Billion Environmental Finance Goal, the flagship initiative of our environmental finance efforts, we work to hold ourselves accountable by measuring, tracking and publicly reporting our activities and impact.

In 2017, we released a new report, *Sustainable Growth at Citi: Progress and Impacts of Citi's \$100 Billion Environmental Finance Goal*,³ to share our progress toward the goal and provide more detail about how we are measuring the impact of our environmental finance activities.

TO REACH OUR GOAL, WE APPLY OUR ENVIRONMENTAL CRITERIA



Renewable Energy



Water Quality and Conservation



Sustainable Transportation



Green Building



Energy Efficiency



Clean Technology

³ <http://www.citigroup.com/citi/sustainability/data/Sustainable-Growth-at-Citi.pdf>

CASE STUDY

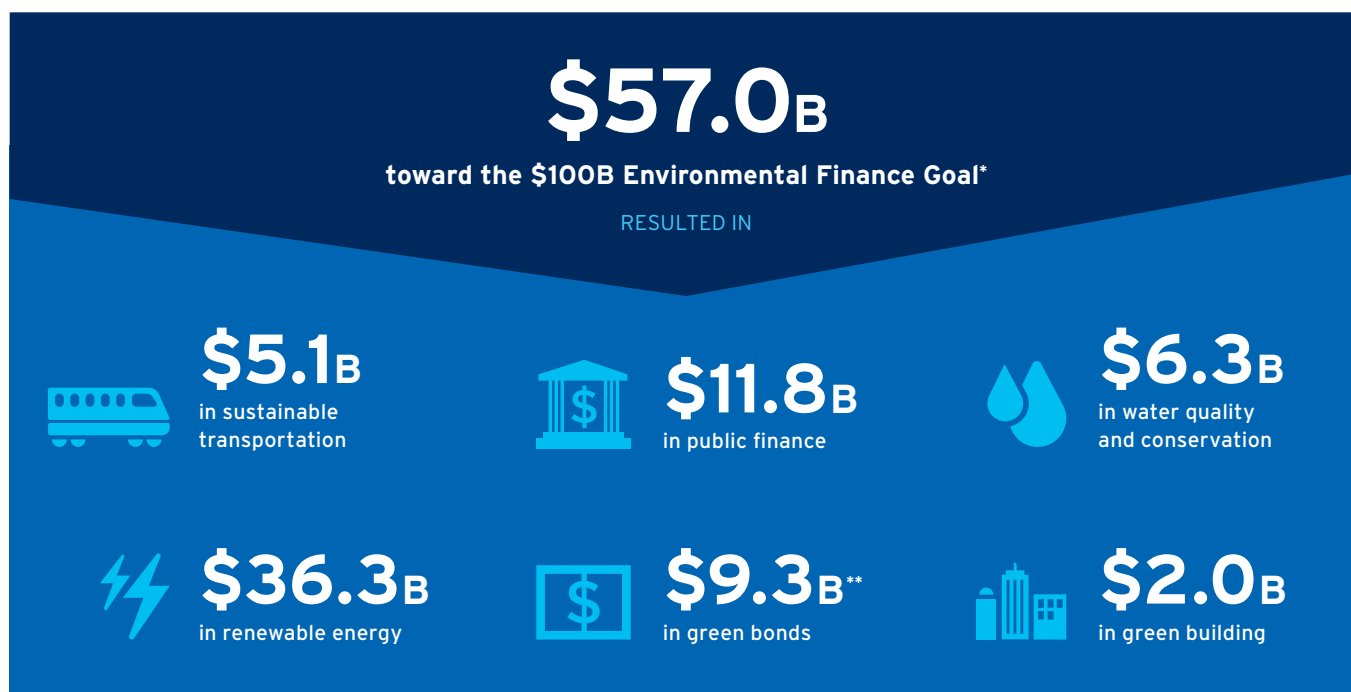
Rattlesnake Wind Farm

In April 2017, Citi provided tax equity financing with BHE Renewables (a division of Berkshire Hathaway Energy) to the Chicago-based Goldwind America's 160-megawatt Rattlesnake Wind Project in McCulloch County, Texas. Citigroup Energy Inc. provided the long-term physical power hedge under which the project will receive a fixed power price. Goldwind is a subsidiary of China-based Xinjiang Goldwind Science & Technology Co. Ltd., the largest manufacturer of permanent magnet direct-drive wind turbines in the world. This project will be Goldwind's largest U.S. project to date, utilizing 64 of its turbines, once operational. The Rattlesnake Wind Project will bring significant economic benefit to the community of McCulloch County; the company estimates it will support approximately 250 well-paying construction and service-related jobs.

➔ What's Ahead

The scale of the climate challenge necessitates a major evolution in environmental finance—one that enables rapid growth in technologies that reduce or avoid greenhouse gas emissions, such as energy storage and carbon sequestration. While we know that slowing global warming is an important goal, it is also important to look at how to reverse the trend. This will require an unprecedented, cross-sector and international effort to quicken the pace of new technology adoption, while also working toward a responsible transition towards a low-carbon economy. Citi, along with our clients, will continue to work to understand these emerging market opportunities in a way that also addresses the critical SDG development agenda.

\$100 BILLION ENVIRONMENTAL FINANCE GOAL: FINANCIAL HIGHLIGHTS, 2014-2017



* Transactions fall within multiple categories of reporting. For complete data, see our 2017 Global Citizenship Report, http://www.citigroup.com/citi/about/citizenship/download/2017/2017_citi_global_citizenship_report.pdf.

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

Inclusive and Resilient Communities

At Citi we believe that, thanks to our resources and expertise, we are well-placed to affect positive change in communities around the world. We are committed to engaging in important issues that affect our employees, clients and communities, speaking out in support of equality, respect and protecting our environment, and standing against discrimination and repression. We also make sure to listen closely to the local governments, nonprofits and community organizations that work on the frontlines every day. Most of all, we are committed to taking action. We are proud of the range of work we do – from infrastructure to affordable housing to jobs – to create more inclusive and resilient communities.

Catalyzing Inclusive and Resilient Communities

In our 2017 Global Citizenship Report⁴ we include a sample of highlights that aims to provide insight into how we deploy our products, people and financial resources to serve as an engaged problem-solver in our community, promote economic mobility and create an economy where households at all income levels have the opportunity to succeed.



Innovative Local Government and Community Change Agents

Engaged more than **100 cities** globally in advancing sustainability projects through the Financing Sustainable Cities Initiative supported by the Citi Foundation.



Infrastructure

Financed more than **\$7 billion** in green building and sustainable transportation projects globally.



Affordable Housing and Homeownership

Provided more than **\$4.7 billion** in loans for affordable housing projects in the U.S.



Thriving Small Businesses

Provided more than **\$11 billion** in lending to small businesses in the U.S.



Financial Inclusion

Expanded our ATM Community Network to provide fee-waived access to more than **400,000** clients of minority-owned banks and credit unions in the U.S.



Future of Work

Invested more than **\$43 million** by the Citi Foundation globally in preparing youth for the 21st century job market through Pathways to Progress.

➔ What's Ahead

Cross-sector partnerships remain an effective way to tackle a myriad of social and economic obstacles that prevent low-income communities and families from achieving financial security. We will continue to learn about and invest in the visions of NGOs that act as change agents in their communities and share what's working and what's not to accelerate progress in other communities. We will also work with municipalities and help support efforts that inform and improve service delivery and resident engagement to help cities run more effectively and provide economic opportunity for all.



⁴ http://www.citigroup.com/citi/about/citizenship/download/2017/2017_citi_global_citizenship_report.pdf

About Our Reporting

Citi issues an annual, in-depth Global Citizenship Report⁵ that details our corporate citizenship activities and performance for each calendar year, illustrating how we bring our mission to life. Our reporting focuses on issues we have determined to be of greatest importance to our stakeholders – both internal and external – and is also aligned with several external reporting frameworks, including the Global Reporting Initiative, the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

In addition to our full Citizenship Report and this executive summary, Citi has issued supplemental reports that provide greater detail on certain aspects of our citizenship activities. For example, we expanded on our SDG-related reporting with a summary report, *Banking on 2030: Citi and the Sustainable Development Goals*,⁶ released in 2017. In the same year, we also issued a summary report on our \$100 Billion Environmental Finance Goal, the flagship initiative of our Sustainable Progress Strategy, called *Sustainable Growth at Citi: Progress and Impacts of Citi's \$100 Billion Environmental Finance Goal*.⁷

To find out more about citizenship at Citi, please visit: <http://www.citigroup.com/citi/about/citizenship/> and <http://www.citigroup.com/citi/sustainability/>

⁵ http://www.citigroup.com/citi/about/citizenship/download/2017/2017_citi_global_citizenship_report.pdf

⁶ <http://www.citigroup.com/citi/about/citizenship/citi-the-sustainable-development-goals.html>

⁷ <http://www.citigroup.com/citi/sustainability/data/Sustainable-Growth-at-Citi.pdf?ieNocache=243>

Enhancing Our Global Citizenship Report

Since 2016, we have embedded the Sustainable Development Goals (SDGs) into relevant sections of our full Global Citizenship Report, directly referencing only those goals where we can describe specific impacts.



For the first time in 2017, we have also indexed our report content in alignment with the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures.

